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Baader, 2 Others Are Prison Suicides; Hostages Return, Describe 6-Day Ordeal



3 Found Dead After Rescue Bid Is Foiled

By Michael Getler

BONN, Oct. 18 (WP).—Three of the surviving members of the Baader-Meinhof terrorist gang—including its leader and co-founder, Andreas Baader—committed suicide early today in their maximum-security prison cells in Stuttgart, hours after a West German commando of specially trained police foiled an attempt to free them, rescuing 86 hostages held in Somalia by air hijackers.

The two episodes dealt an unexpected double setback to West Germany's terrorist underground, which just a few days ago seemed more powerful than at any time since the early 1970s.

The news early this morning from Justice Ministry officials—that Baader, 34, and Jan-Carl Raspe, 33, had shot themselves through the head and that Gudrun Ensslin, 37, had hanged herself—astonished and relieved West Germans, as had the news a few hours earlier that the commando of border guards had freed the hostages held on the airplane since Thursday. Three of the hijackers were reported killed and the fourth was said to have been wounded in the commando attack.

The Baader-Meinhof gang grew out of the radical student movement of the 1960s. It later took a sharp turn toward violence, spreading terrorism and a fear of anarchy through many West German cities. The terror has been continued sporadically in recent years by Baader-Meinhof disciples in the Red Army Faction of leftist militants.

The circumstances surrounding this morning's suicides remained mysterious late today.

State Justice Ministry officials were still unable this afternoon



Jan Carl Raspe



Gudrun Ensslin



Andreas Baader

to explain how handguns had made their way into the prisoners' solitary-confinement cells, how the prisoners managed to find out about the thwarted hijack attempt that was meant to free them, or how they managed to coordinate their suicides.

Just two weeks ago, a new anti-terrorism law was passed, making it legal for these prisoners to be totally isolated from each other and from any contact with the outside world, including their attorneys.

Lawyer Otto Schilly, who helped defend the Baader-Meinhof terrorists, quickly suggested today that the deaths may not have been suicides—a potentially volatile claim.

The Bonn government reacted quickly, going to great lengths to refute the claim by bringing in expert medical examiners from Switzerland, Austria and Belgium, as well as invoking lawyers and representatives of Amnesty International.

Despite the mysterious circum-

stances, the prison deaths have potentially wide-ranging implications for West Germany's generally orderly and prosperous society and its "establishment" figures.

But probably more importantly, the three deaths today have removed from official custody the central figures in whose name much of the terrorism that has plagued this country in recent years has been carried out.

Series of Attacks

The hijacking of the Lufthansa jet last week, the kidnapping of industrialist Hans-Martin Schleyer last month, the slaying of banker Jürgen Ponto in August, the attack on the West German Embassy in Stockholm in 1975 and numerous other acts were all carried out by terrorists seeking to blackmail the Bonn government into releasing Baader and his comrades.

Without this goal, and without the symbolic leadership that

Baader is believed to have continued to exercise from his jail cell, the West German terrorist movement has suddenly been dealt a stunning—though perhaps not disheartening—blow.

The three deaths also come on the heels of a recent crackdown against a small group of radical lawyers who allegedly were supporting terrorist activities by carrying messages between jailed guerrillas and their comrades on the outside and even helping to mastermind some of the attacks.

The prison deaths mean, in effect, that the entire leadership of the "hard-core" elements of the Baader-Meinhof gang that were actually imprisoned have died by their own hand, according to police.

Ulrike Meinhof, co-founder and intellectual leader of the original gang, was found hanged in her Stuttgart cell on May 9, 1976, in what the government also said was a suicide.

In November, 1974, another

major gang figure, Holger Meins, died in a hunger strike he staged to protest conditions in the same fortress-like wing of the Stuttgart prison expressly built to hold the Baader-Meinhof band.

4th Falls in Suicide Try
Another imprisoned gang member, Immanuel Moeller, 30, attempted to kill himself this morning—with a bread knife—but her attempt failed. Late today she was no longer in critical condition in the hospital to which she was transported.

The three dead prisoners and Miss Moeller were among the 11 terrorists that the hijackers of the Lufthansa jet had demanded be freed and flown to safety out of West Germany as the price for not blowing up the aircraft.

The Red Army Faction terrorists who kidnapped Mr. Schleyer, 62 more than six weeks ago also had demanded the release of the 11 jailed comrades. The death of the three prisoners today plus the

Hijackers Reportedly Feared Raid

By Jonathan Randal

BANKRUPT, Oct. 18 (WP).—Pages freed in the precision German attack on a hijacked Lufthansa airliner in Somalia last week today vividly show by their terror, capture and

The heroes' welcome—evicted the liberated hostages—and to elite 60-man anti-terrorist force unit that rescued them in flawless midnight raid—did not, secure the horror of their six-day ordeal at the hands of four, in officially unidentified, hijackers.

Only five hours before the commando struck at Mogadishu airport, a Swedish survivor re-

ported, the hijackers feared such a raid. "They tied our hands behind our backs with nylon stockings and poured alcohol over us and on the floor" of the Boeing-737, he said.

Another passenger, Horst Canellas, said it was "sadism, sheer sadism." Mr. Canellas, a former professional soccer team manager, said the hostages "were treated like animals." Like most of the other 85 released hostages, he said, "I'm not going to tell in detail what happened over the past few days."

But by general agreement, the worst moment came early yesterday morning when the hijackers—all but one of whom

was shot and killed in the police rescue operation—executed pilot Jürgen Schumann in cold blood.

"We didn't have any hope left," said a passenger who declined to identify himself, Mr. Canellas said. "They shot him in front of everybody—including the kids. He had to kneel down—after the shot he slumped to the ground."

A trembling Lufthansa stewardess, her voice shaking with emotion and her face streaked with tears, said, "He was shot with a single bullet from a pistol" after trying to escape.

"The pilot went out after the forced landing [at Aden airport Sunday]," said a woman who refused to give her name, the Associated Press reported. "He wanted to check the plane from the outside to see if anything had happened. Then he ran off."

The woman said one of the four hijackers threatened to "blow us up" unless the pilot was him over.

Once caught, the 37-year-old pilot was asked by a terrorist whether he felt "guilty" or not guilty, and was shot when he gave an evasive answer, the stewardess said.

But as Mr. Canellas described the ordeal—much of it spent in the stifling confines of the closed passenger cabin in more than 120 degree heat—the hijackers appeared to have gone out of their way to be disagreeable.

"When somebody wanted to go to the toilet, the terrorists would not allow it," he said. "My daughter, who was sitting next to me, finally said, 'Daddy, when are they going to shoot us and get it over?'"

In what another passenger described as "cramped and uncomfortable" conditions, some passengers developed chronic problems after days of being forced to sit in their seats with their safety belts attached.

A Spanish flight crew member, who had been flying to Frankfurt to pick up another airliner when the Lufthansa Boeing was hijacked, said he had been told that the



Ulrich Wegener, chief of the special anti-terror unit of the German federal border police, reviews his men at Bonn airport after raid.

World Pilots' Grouping Calls for 2-Day Strike Next Week

By R. W. Apple Jr.

LONDON, Oct. 18 (NYT).—The International Federation of Air Pilots' Associations called today for a 48-hour strike beginning at noon next Tuesday, to protest the demands for the efforts to prevent hijacking and airborne terrorism.

The strike call was prompted by the murder of the captain of a German jet that was hijacked last week and ended up in Somalia. If the walkout takes place, it would paralyze the worldwide commercial air network and add millions of passengers.

Harvey, the deputy executive secretary of the international association, which has its headquarters here, said the pilots are as under attack from the United Nations that a special assembly will be held within a month to discuss hijacking. If United Nations gave such an undertaking, he said, a strike did not be necessary.

The British, Indian, Swedish, Norwegian, Portuguese, Norwegian, Greek, Spanish, Dutch and Belgian pilot groups immediately backed the strike call, others in the 44-nation coalition were expected to follow.

Security Variations
Security at airports and on sea varies considerably across Europe and the rest of the world. Officials in strict countries

main to join Council
FRASBURG, Oct. 18 (REUTERS).—The committee of ministers of the Council of Europe invited Spain to become organization's 30th member.

parliamentary assembly of council has already approved membership. Officials in Spain would be asked to send members to the assembly, giving its strength to 164.

feel that all of their efforts sometimes go for nothing because other countries are too lax. "It's enough to look at where the [hijacked] planes are coming from," said a bitter Italian official. "The majority of the skyjacks have boarded in Greece, Spain and Arab countries."

The Lufthansa Boeing 737, whose 86 passengers and crew were rescued by German troops in a daring postmidnight raid this morning, was hijacked in Majorca, a vacation island off the Spanish coast. In the view of those who travel constantly on international jet flights, Spanish airport security is as bad as any in the world.

Passengers are almost never checked as they board domestic flights, and although there are occasional perfunctory searches of hand luggage for international passengers, even those are suspended if flights are late, as they have been lately because of a slowdown by air traffic controllers.

(Continued on Page 2, Col. 5)

U.S. Woman Priest Defies Ban of Anglicans

By Robert D. Hershey Jr.

LONDON, Oct. 18 (NYT).—An American Episcopal priest has defied the Church of England by becoming the first woman to celebrate holy communion at a public service in Britain.

Carrying out a long-standing, secret plan, the Rev. Alison Palmer, 46, celebrated the sacrament for a congregation of 17 men and women in Manchester last Tuesday, an occasion that went generally unnoticed until it was reported in the Guardian.

Her action was immediately denounced by a number of Angli-

can clergy and officials while Britain's two top churchmen, both of whom favor ordination for women, were said to be unhappy. They are the Archbishop of Canterbury, Donald Coggan, and the Archbishop of York, Stuart Hall.

Controversy Feared

The issue of whether to ordain women in the Church of England is due to be taken up at next year's Lambeth Conference, a meeting of all bishops in the Anglican communion held every 10 years. The two archbishops were said to feel that Miss Palmer's

action might add to the controversy surrounding the question.

The official position of the Anglican Church is that it has no fundamental objection to women becoming priests, but the house of bishops ruled last year that women ordained abroad may not officiate in the mother church.

In addition to last week's service, Miss Palmer celebrated communion for about 100 persons Sunday in Newcastle. She had been invited by the church council, which put what it called natural justice ahead of obedience to authority.

4 Czech Dissidents Sentenced, 2 Terms Delayed

PRAGUE, Oct. 18 (Reuters).—Four of Czechoslovakia's most prominent dissidents were sentenced today to prison on charges of subversion against the state, the Czech news agency, CTK, said.

Former theater director Ota Ornest received the stiffest sentence of 3 1/2 years' imprisonment for maintaining "conspiratorial links" with foreign diplomats and agents in France and Italy.

Jiri Lederer, a journalist, received a sentence of three years'

imprisonment on similar charges.

The other two dissidents on trial both received suspended sentences.

Former theater director Frantisek Pavlick was sentenced to 17 months' imprisonment, suspended for three years, after being convicted of slandering the state in articles published abroad.

Playwright Václav Havel, convicted of trying to smuggle abroad the banned memoirs of a former Czechoslovak government minister, received a sentence of 14 months' imprisonment, also suspended for three years.

Earlier today, the public prosecutor, Jaroslav Adamc, had requested light sentences for the four men, whose trial was closed.

The four defendants said that they would appeal. All except Mr. Ornest had pleaded not guilty.

The trial ended a day earlier than expected when the chief judge made a 45-minute declaration announcing the sentences.

Sources close to the defendants said that the judge spent most of his time reading tes-

timony given during the two-day trial, particularly charges that the accused dealt with hostile agents either directly or through diplomats in Prague.

But at one point, the judge turned to the four and accused them of working against "the right path which we have pursued since 1968," the source added.

That was the year when Warsaw Pact troops invaded Czechoslovakia to crush the eight-month rule of Communist party chief Alexander Dubcek.

All the defendants, except Mr. Ornest, were among the first dissidents to sign the "Charter 77" manifesto calling for human rights to be respected in Czechoslovakia.

But the prosecution insisted that the case was purely a matter of anti-state subversion and had nothing to do with the charter.

Informal sources said that more than a dozen other charter signatories—including two of its spokesmen—were ordered to report for police questioning and were told to stay away from the central city courthouse, where the trial was held.

In his summing-up speech in court, the prosecutor said that Mr. Ornest, 64, and Mr. Lederer, 55, had contacted Pavel Tigrid, a Czechoslovak émigré who edits a

political journal in Paris which Prague authorities assert is financed by the U.S. Central Intelligence Agency.

But the prosecutor suggested that any sentences against Mr. Havel, 41, and Mr. Pavlick, 53, should be suspended since it had not been established that they had direct dealings with Mr. Tigrid.

All four, in final statements to the court, insisted that they were still supporters of the Socialist system and had not meant to undermine state interests.

Mr. Lederer was interrupted three times, however, when he tried to explain why he had denounced aspects of political policies in articles criticizing the government, the source said.

Each of the defendants was allowed about six minutes to speak, but after about two minutes, Mr. Lederer broke off his prepared remarks with the plea that he had insisted on no punishable act.

Representatives from the United States, France, Britain and the Netherlands raised the issue in the Belgrade conference of the Human Rights Committee, which is examining to what extent pledges for more basic freedoms made in the 1975 Helsinki declaration have been honored by the 35 countries which signed it.

Bonn to End Payment for U.K.'s Troops

BONN, Oct. 18 (Reuters).—Britain and West Germany today decided to end the system whereby Bonn makes a contribution to the cost of stationing British troops on West German soil.

British Prime Minister James Callaghan said after talks with Chancellor Helmut Schmidt that the agreement removed an issue "which has been an irritant to our relations for so long."

The text of the agreement said the decision had been made "in view of the close relations which now exist between the Federal Republic of Germany and the United Kingdom as partners in the European communities and of the long-standing ties in the North Atlantic alliance."

West Germany will continue to pay what are officially termed bilateral offset arrangements until 1980. The total paid between now and March, 1980, will be 475 million deutsche marks (\$207 million).

In Congratulatory Message

Begin Ends German Boycott, Salutes Schmidt on Rescue

TEL AVIV, Oct. 18 (NFT)—The dramatic Mogadishu operation today moved Prime Minister Menachem Begin to end his long boycott of Germans.

His silence-breaking communication to Bonn was a congratulatory message to Chancellor Helmut Schmidt.

In reaction to the Nazi Holocaust in which most members of his family were killed, Mr. Begin had refrained from any contact with Germans. As an opposition deputy in parliament, he had opposed diplomatic relations between Israel and West Germany, but after he became Prime Minister in June, he said he would meet Germans to extent protocol required.

Aides said that his message today was not required by protocol. It read: "Please accept my congratulations for the successful operation carried out by a special unit in freeing hostages from ordeal and threats by hijackers."

It was indeed a salvation in which all free men rejoice.

"Our condolences to the bereaved family of the brave pilot," Admiration for the Germans was mixed here with some self-congratulation as officials and commentators said in effect: "I told you so."

Recalling that the Israelis had said all along the only way of dealing with hijackers was not to yield to their demands, an analyst of the defense forces radio station said, "If only they had heeded us a few years ago, this plague would have been over with."

Hopes that the German action will open a new chapter in the struggle against terrorism were expressed widely, but with some doubt.

In a message to Foreign Minister Hans Dietrich Genscher in Bonn, Foreign Minister Moshe Dayan said, "I hope your government's firm and courageous stand will inspire all countries to fight and defeat terrorism in whatever form it takes."

Laudatory Reaction

BONN, Oct. 18 (NFT)—World-wide reaction to the liberation of the Lufthansa hostages was generally laudatory. However, a statement by Japanese Premier Takeo Fukuda defended Tokyo's giving in to terrorist demands last month.

Mr. Fukuda said that Japan could not have employed tactics similar to the Germans when a Japan Air Lines plane was forced to land in Bangladesh, because such action could not have been taken by Japan in a foreign country without its approval.

A police source said that Bangladesh had insisted on its sovereignty during the JAL hijacking and had refused to allow the Japanese to contact the hijackers directly.

However, Justice Minister Mitsuo Sato praised the German action. He was quoted earlier this month as saying that tough action even at the risk of bloodshed, was necessary to root out terrorism.

Objective Agents In Moscow, the News Agency Tass blamed "right-wing forces" for the hijacking and said that actions by terrorists "who objectively act as agents provocateurs for reaction are exploited by the latter."

In Washington, a brief statement issued by the White House said: "The President feels that the West Germans have struck a blow for all of us who are vulnerable to this kind of terrorism."

"He wishes that the participants in the operation be commended and the Somali government thanked for its cooperation."

Urges Implementing "We do hope that the provisions of the final act concerning the right to leave one's country, the reunification of families, the contribution of national minorities in the field of culture, will be implemented fully, thus permitting many Jews, particularly from the Soviet Union, to join their relatives in Israel," he said.

In apparent reference to the Soviet Union and Eastern European countries, Mr. Minerbi said, "In certain countries, Jews who want to avail themselves of these solemnly guaranteed rights are constantly harassed by the authorities."

Egyptian Ambassador Mourad Ghalib, who followed the Israeli delegate, accused Israel of human rights violations, torture and armed intervention. Mr. Ghalib said that he was sorry the Palestinians were not represented at the Belgrade conference and expressed hope the Palestinians will have their homeland.

Bill Signed Extending Ford Staff Payments WASHINGTON, Oct. 18 (AP)—President Carter announced today that he has signed a bill giving former President Gerald Ford an extra \$54,000 annually to hire staff aides until Jan. 20, 1980.

The new law does not apply to former President Richard Nixon.

Under the legislation, Mr. Ford will have a staff allowance of \$150,000 a year until the third anniversary of his departure from office. Without the new law, Mr. Ford's allowance would have been cut to \$96,000 annually as of last July 20, the end of a six-month transition period.

Mr. Nixon receives \$96,000 a year for staff assistance.



Stewardess Gabi Dillman, who suffered leg injury during predawn raid, is helped onto stretcher on arrival at Frankfurt with passengers and other crew members liberated.

Hostages Return, Describe 6-Day Ordeal

(Continued from Page 1)

ed. Thursday after leaving the Spanish island of Mallorca, had to prop up his badly swollen leg on the next seat.

It was in this anguished atmosphere that the specially trained commandos struck in what was code-named operation Oscar X-Ray. Taking advantage of the darkness, the commandos bashed in all four of the jet's doors and tossed in newly developed grenades which momentarily blinded, deafened and stunned those aboard.

It was learned that the United States and Britain were in close contact with West Germany on plans for the commando raid. Other sources said France also was involved.

Three of hijackers—two men and a woman—were apparently killed outright and all the hostages were out of the aircraft within seven minutes.

Three of the hijackers were in the passenger cabin, the fourth in the cockpit.

A woman terrorist was wounded and was taken to a Mogadishu hospital along with six passengers who remained behind for treatment of minor ailments.

A passenger said that the commandos' "decisiveness and confidence" prevented panic in the aircraft.

The operation was a major triumph both for Chancellor Helmut Schmidt's government and for the commandos.

Officially called Grenzschutzgruppe 9, or Border Protection Group 9, the commandos had never fired a shot in battle until their exploit. The elite 170-man

Moscow Apologizes To New Zealand

WELLINGTON, New Zealand, Oct. 18 (AP)—The Soviet Union has expressed regret to Prime Minister Robert Muldoon over the mishandling of a New Zealand diplomat in Moscow last Thursday.

Mr. Muldoon said today that Soviet authorities had attributed the incident to a "misunderstanding" and that New Zealand accepted the apology.

force was formed in the wake of the embarrassing Palestinian terrorist raid on the 1972 Olympic Games in Munich, which caught West German security by surprise.

This afternoon at Cologne airport, the young commandos sulked off their Lufthansa Boeing 707 in slacks and sports shirts and jackets to the applause of a large crowd of officials and civilians.

Interior Minister Werner Maihofer told the commando unit, "You risked everything to save the life of others. Millions of Germans sighed with relief when they woke up this morning and heard the news."

The commandos' exploit clearly lifted West Germans' spirits after more than six weeks of inaction since the kidnapping of Hanns-Martin Schleyer, the West German industrialist leader.

And although the Christian Democratic opposition had supported Mr. Schmidt's handling of

the crisis, the resolution of the hijacking clearly boosted government fortunes.

Roots of Terrorism

The conservative opposition has argued generally that the center left government coalition has been too soft on the roots of terrorism among university students and teachers and other sympathizers.

Like the Israelis' Entebbe raid in July of last year, which freed mostly Israeli passengers on a hijacked Air France airliner, the Mogadishu operation seems to have given a shot in the arm to Mr. Schmidt's thin majority government, which has encountered a series of political problems in the past year.

And so soon after the Japanese government gave in to terrorist hijackers in Bangladesh, Mr. Schmidt's tough stance was instantly seized upon by numerous national leaders as proof that governments need not be passive victims of terrorism.

Baader, 2 Members of Gang Commit Suicide in Their Cells

(Continued from Page 1)

thwarting of the hijackers may now seal Mr. Schleyer's doom—if he is still alive.

All three dead prisoners were serving life terms after having been convicted in April of a string of robberies, bombings and killings—the worst of which was in May, 1972, when four U.S. soldiers were killed and 14 were injured in bombings at Frankfurt and Heidelberg.

State Justice Minister Trautott Bender told newsmen today that Raspe was found shot and dying in bed, with a pistol next to him, by a guard taking breakfast to the prisoner. Guards immediately checked other cells and found Baader already dead in bed, with a pistol alongside him, and Miss Ensslin hanging from a window frame.

Frequent Threats The inmates, cells in that prison are inspected daily. Mr. Bender said there was only speculation about how it happened, though he claimed that the prisoners frequently talked about suicide.

Why have so many apparently committed suicide? Sociologists have given several reasons, including the "martyrdom" that extremists may feel comes with it and an emotional instability caused by lengthy solitary confinement.

Most important early today, however, may have been the prisoners' assessment, after the unsuccessful hijacking, that Bonn would never release them no matter how many lives were at stake.

Although today's prison deaths in some ways mark the end of an era, police authorities have recently calculated that there are probably about 1,200 likely terrorists still free, and perhaps five times that many sympathizers—people who will help, rather than commit crimes.

The lingering phenomenon exemplified by the Baader-Meinhof gang remains West Germany's biggest dilemma: Why do so many of these young radicals who come from middle-class or upper-class homes and out of good universities turn up as anarchists in a country that has risen to unprecedented levels of

prosperity and democracy since World War II?

Ulrike Meinhof was an art history student and well known editor of a leftist underground newspaper. Raspe was a practicing sociologist and author of several scientific papers before he became a demolition expert in 1970. Miss Ensslin, the daughter of a respected Protestant minister, was a highly educated woman who studied German and English philosophy and who had spent a year at an American secondary school in Warren, Pa.

Only Baader was a secondary school dropout. But he seemed to have a knack for leadership and a spell over some of the female members of the gang—especially his lover, Miss Ensslin.

World Pilots' Grouping Calls For 2-Day Strike Next Week

(Continued from Page 1)

less. The principal reason, airline officials believe, is Spain's reluctance to offend the 30 million tourists a year on whom its economy is heavily dependent.

Other Airports At Athens security is equally haphazard. A group of English soccer enthusiasts, laden with gear of all sizes and shapes, walked onto a charter flight back to London recently with only random searches of their luggage.

In general, security tends to be most lax at smaller airports and on charter flights. The Lufthansa jet met both criteria, and the fact that it was leaving from Spain made it an ideal target.

Attack by Mafia Seen In Italy Car Bombing

REGGIO CALABRIA, Italy, Oct. 18 (Reuters)—The empty car of an Italian member of parliament was blown up today in what appeared to be an attack by the Mafia, police sources said.

The vehicle belonged to Deputy Franco Quattrone, who last week called on the government to make a thorough inquiry into allegations of links between Mafia gangs in this southern Italian city and local magistrates.

The blast destroyed his car and smashed windows of nearby shops, but no one was hurt.

Carrillo Moderation Aides Suarez

By James M. Markham

MADRID, Oct. 18 (NFT)—Short of a majority in parliament and struggling with contentious economic issues, Premier Adolfo Suarez has discovered in the last four months that his center-right government has an unusual ally: Santiago Carrillo, the secretary-general of the Communist party.

Mr. Carrillo, who a year ago was in hiding, has emerged since the June 15 parliamentary elections as Spain's great moderate, a proponent of national reconciliation and of "a government of concentration" running from Mr. Suarez to himself.

Indeed, at times Mr. Carrillo is positively bourgeois, and no one is startled by a photograph of the Communist leader heading deferentially over the hand of King Juan Carlos in a receiving line.

The origins of Mr. Carrillo's above-politics approach to politics lie partly in his party's poor showing in the election. The Communists helped the Premier's per cent of the popular vote and only 20 seats in the 350-member lower house. The second-ranking Socialist Workers party, by comparison, got 30 per cent of the vote and 115 seats.

Weeding Two Sides

To outflank the Socialists and blur their dominant position on the left, Mr. Carrillo has persistently tried to rope them into a broad coalition—and, at the same time, has built his own understanding with Mr. Suarez, which has paid off for the Premier. On a number of issues in parliament, the Communists have voted with Mr. Suarez's Union of the Democratic Center and against the Socialists. Most strikingly, the Communists helped the Premier's party push through a toothless bill that limits parliament's ability to censure the government and insures Mr. Suarez's hold on power until a new constitution is drafted.

"I have the impression that the people in the government are just amazed by this performance," a Madrid political analyst said of Mr. Carrillo's cooperation. "But at the same time they are increasingly more comfortable in their dealings with him—because he is so moderate."

The rationale for the Communists' strategy, which Mr. Carrillo appears to believe in sincerely, is that Spain's new democratic institutions stand under an abiding threat from the rightist "bunker" and its friends in the military—and that the party's destiny is linked to the fate of Spanish democracy.

"Democracy in Spain is a plant that has appeared only a little above the ground," said Manuel Ascarate, a leading party theoretician. "In Spain there cannot be the kind of political struggle that there is in France or England. The important thing is to consolidate democracy."

A "Social Pact" In the name of consolidating democracy, Mr. Suarez and Mr. Carrillo are reported to have laid the groundwork for a round-table discussion that has blossomed into the beginnings of a "social pact" among the major political parties, including the reluctant Socialists. This fell short of Mr. Carrillo's "government of concentration," but it nicely advances the blurring of the Socialists' image as "the" opposition party.

Ground rules for the discussions have not been created, but the Communist-dominated labor union, the Workers' Commissions,

News Analysis

has announced its willingness to go along, "with reservations."

Already, Felipe Gonzalez's Socialists have begun to mutter that the government is beginning to favor the Workers' Commissions—at the expense of the Socialists' General Union of Workers—in the shop-level elections that are supposed to be held in a month. There are some signs that Mr. Carrillo may be tilting toward the Communists in return for Mr. Carrillo's support on other issues.

International Role

For Mr. Carrillo, a victory in the trade union elections—or even an important improvement over the Communist showing in the parliamentary elections—would be worth whatever his moderation may be costing him among bewildered Communist militants. "Carrillo is making a political pact with Suarez in order to lay down a minefield for Felipe Gonzalez, looking toward an eventual 'historic compromise' with the Italian in a few years," writes Abel Her-

mandes, a columnist close to government. "The system Eurocommunist advance in Spain is much more than a possibility. On the international front, Carrillo continues to chart Eurocommunist course of claimed independence from Moscow. He and party theoretician Amaratte attended the 21st Labor party congress at Brighton this month; next month, the party general will make a speaking appearance at the 100th anniversary celebrations of Russian Revolution in Moscow and then head for lecturing at Yale and Harvard in United States.

Mr. Carrillo's impending to the United States appears to have been organized without assistance—or even knowledge—of the State Department, but Communist is clearly eager to take advantage of U.S. officials. In itself, the visit to Amy will hand some burly statesmanlike image Mr. Carrillo has been cultivating at home.

Tarradellas Is President

Juan Carlos Decree Restores Catalonia Autonomy Council

MADRID, Oct. 18 (Reuters)—Josep Tarradellas, 78, who lived in exile for 38 years, was appointed president of the newly restored autonomous government of Spain's Catalonia region by royal decree today.

Mr. Tarradellas will choose 12 members of an executive council to govern Catalonia, which is made up of the four northeastern provinces of Barcelona, Girona, Llerida and Tarragona.

The council will be completed by four representatives, one from each of the provinces, which have a combined population of almost 6 million.

Wide Regional Powers

The provisional re-establishment of the Catalan government, or Generalitat, was announced by Premier Adolfo Suarez last month. It was the first step in the government's stated desire to change Franco's tightly centralized regime into one giving wide regional powers.

Mr. Tarradellas returns to Barcelona from France Sunday and huge crowds are expected to welcome him.

After the Generalitat was abolished by Franco, Mr. Tarradellas left for France. He later became president of the Catalan government-in-exile.

Violence continued in the Basque region, meanwhile. Gunmen in a car shot and seriously wounded a sentry outside a para-

Union Officials

Back Pay Reform At Leyland Firm

LONDON, Oct. 18 (Reuters)—Representatives of British Leyland workers today unexpectedly voted to accept pay reforms seen as vital to the future of the nationalized automobile firm.

Engineering Union president Hugh Scanlon said that union officials vote dby a substantial majority to accept the company's proposals for centralized pay bargaining, replacing separate negotiations in 34 company plants.

He said that the package will now be voted on by the company's 130,000 workers.

The vote follows a warning yesterday from Industry Secretary Eric Varley, who said no amount of public cash could save Leyland unless it sorted out its troubled industrial relations.

The officials had been expected to reject the reforms because they would mean a reduction of their local power.

U.S. Energy Chief Must Sell Stock

WASHINGTON, Oct. 18 (AP)—A Senate committee told Energy Secretary James Schlesinger today to sell more than \$33,000 worth of stock he and his wife hold in an energy-related company. The panel said the holdings pose a possible conflict of interest.

The committee action occurred as a House-Senate Conference Committee began work on a compromise energy bill.

The Energy Committee gave Mr. Schlesinger nine months to dispose of 2,100 shares of stock in the Newhall Land and Farming Co. The stock is worth about \$33,600.

The unanimous committee vote followed Mr. Schlesinger's own disclosure to the panel that "there are some 90 producing wells, mostly natural gas" on 150,000 acres owned by the company.

U.S. Jails 3 in Drug Plot

BALTIMORE, Oct. 18 (UPI)—Two men received the maximum 15-year sentence yesterday and a third a 10-year term for attempting to import almost 14 pounds of heroin from Turkey.

U.S. Board Plans Easier Rules for Charter Airline

WASHINGTON, Oct. 18 (AP)—The Civil Aeronautics Board yesterday proposed new rules to protect charter airlines being driven out of business by new discount fares being offered by scheduled carriers.

The proposed new rules in reducing advance purchase requirements, cutting minimum group size in half and providing passengers with more flexibility in choosing return flying dates.

The board said that the changes to the charter industry are "immediate" and "action is needed to relax charter rules. The panel's public 14 days to comment on the regulations.

The changes are needed, board said, because of the increase in new low fares by scheduled airlines.

The airlines requested the fares to counter the \$230 York-London Skytrain fare offered by Britain's Laker Air.

Skytrain tickets are sold first-come basis to travelers show up at the airport six hours before flight time.

Opponents Sla Protest Against Concorde in N

NEW YORK, Oct. 18 (AP)—While a British Airways spokesman declared in London, "A on our way," a leader of community groups fighting landings of the Concorde at a sonic transport plane from "They'll have the biggest onstration this city has seen."

The Supreme Court yesterday refused to delay Concorde flights to New York pending an appeal by the Port Authority of New York and New Jersey of a court ruling permitting flights.

The British airline and France, which operate the Concorde, immediately announced that a "familiarization" flight would take off from New York and land at Kennedy at 11 tomorrow.

An airline spokesman said that the Concorde that here will take off Thursday for a test flight at a test facility set for Thursday Friday. Regular twice-weekly flights each way are scheduled to begin Nov. 22.

The Concorde's opponent dicated they probably would stage their next planned onstration until after all flights have been completed.

Indonesia Holding 100,000, Group S

LONDON, Oct. 18 (Reuters)—Amnesty International today accused Indonesia of holding 100,000 political prisoners called for their immediate release.

In a 148-page report, human rights organization denounced the Jakarta government for violating the constitution, many of whom, it said, and legal rights of untried prisoners held since the abortive coup.

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The most centrally-located hotel in town, offering superb facilities, restaurants, a discotheque and the Marquee Bar where Rotterdam meets. Without a doubt, the finest business hotel in the city and the obvious choice for the business traveller.

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If you are travelling on business to the Frankfurt area, why not stay at the Mainz Hilton? A relaxing retreat on the edge of the Rhine, this quiet, comfortable hotel is just minutes from Frankfurt airport. As well as fine restaurants and bars, the Hilton offers excellent meeting and conference facilities.

For reservations, contact your travel agent, any Hilton hotel or Hilton Reservation Service office in Frankfurt, Geneva, Hamburg, Lisbon, London, Madrid, Paris and Stockholm.

هكذا من النحل

By Jack Nelson

ASHINGTON, Oct. 18.—
another VIP approaches
seny General Griffin Bell at
Washington cocktail party the
chances are it is far more
just a friendly greeting.
sequently the VIP makes an
deal that Mr. Bell "go easy"
former CIA director Richard
sons, who faces possible indict-
ment on a perjury charge for
ing to a Senate subcommittee.
he appeals are made by four-
Buck as well as political
chairs as well as Republic-
and by such political heavy-
weights as Averell Harriman,
former New York governor and
the federal official in Demo-
cratic administrations, and for-
merly U.S. National Security
another former New York

By James Branscome

Blue Diamond, in the meantime, obtained a court order directing the miners to six pickets, and it was that order the police were enforcing.

The scene in this small mining community near the Tennessee border looked like a rerun of the ops of the 1890's as the miners hung their homemade sticks against the helmets of the police. The police replied in kind and the red blood lay in puddles as mixed with the coal dust on a road.

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The police replied in kind and
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the road.

Police Bungle
By Selwyn Raab
SAN JUAN, P.R., Oct. 18 (NYT).

The investigation by the Puerto Rican police into the murders of two diamond dealers—a crime by that has attracted international attention—has become a comedy of errors.

The police keep digging up one after grave but cannot find where they put the body of one of the murdered men, evidence has been misplaced, clues bungled and the fumbling has brought



**HILTON
INTERNATIONAL**

Among those at graveside services for Bing Crosby yesterday were (seated, from left) widow Kathryn, son Nathaniel, daughter Mary Frances, son Harry, son Dennis and sister Mary Rose Pool. Another son, Gary, is standing at center. Standing at far right is Bob, the singer's brother. Service was in Los Angeles.

LOS ANGELES, Oct. 18 (UPI).—A predawn low mass was said today for Bing Crosby in a secret, simple Catholic service attended only by his immediate family, a few co-workers and three of his close friends.

Then the crowd, who died Friday while playing golf in Spain, was laid to rest alongside his parents and his first wife, actress Dixie Lee.

Only Bob Hope, Phil Harris and Rosemary Clooney from the entertainment world attended the mass at St. Paul the Apostle's rectory chapel, which held fewer than 30 mourners.

The singer's widow, Kathryn, wearing a long black dress with a silk black veil, was accompanied by their three children, Harry 18, Nathaniel 15, and Mary Frances 17. Mr. Crosby's four sons from his first marriage, Dennis, Phil, Gary and Lindsay, were nearby.

"The services were led by the Rev. Elwood Kaiser but some members of the family participated, leading in the reading of the 23d Psalm and prayers."

Mr. Crosby's body was in a simple mahogany casket. After the mass, Mr. Crosby's body was taken to the Holy Cross Cemetery, seven miles away for burial. His six sons were the pall bearers.

Philip Crosby said his father "accomplished everything he set out to do. Dad won everything in his field. But it was still a heck of a shock to all of us. We all loved him and this is how all of the world because all of the world knew and loved him."

Vietnam Admits Detention of 3 Americans

WASHINGTON, Oct. 18 (N.Y.T.). The State Department said yesterday that the United States had been informed that the Vietnamese are holding the two Americans aboard a small boat that was fired on and seized off Vietnam last week.

from the Vietnamese Embassy there to the U.S. Embassy, the Americans "are well."

According to U.S. officials in Bangkok, the 30-foot submersible named the Brill, was fired on Wednesday by two gunboats, which then rammed the vessel.

"We are asking the Vietnamese for a prompt clarification of the circumstances of the seizure and detention of the Brill and her crew," the department spokesman said. "We urge press for the release of the Brill and her crew."

GENEVA, Oct. 18 (Reuters)

The judge said that the two persons, both foreigners, were cleared of any involvement in the kidnapping of the child, held for five days and freed last Thursday after her father paid a ransom of \$2 million.

Police Bungle Gem Murder-Robbery Probe in San Juan

tics in the three homicides until pressed to do so by reporters, although 38-caliber bullets were used to kill each of the victims.

In fact, the detectives were unaware of the possibility of a third victim until last Tuesday when Manuel Suarez, a San Juan reporter, discovered that a date named, found shot and badly burned on July 28, resembled Mr. Shafizadeh. The 31-year-old New Yorker disappeared on July 22, the day he was scheduled to arrive here.

Even after the disclosure of a third victim, it took the prodding of San Juan and North American reporters to get the authorities there to reopen the murder investigations.

At one meeting with two reporters, Col. Enrique Sanchez, who is in charge of the inquiry, walked the interview and acknowledged he was at a loss as to what to do next in the investigation. "What do you suggest?" Col. Sanchez asked.

Looking for Leads

The reporters recommended that the police begin interviewing local jewelers for leads, as the newsmen had already done. They also suggested that detectives question the two jewelers who showed large sums to two of the victims.

The next day, the police began doing just that and announced it to the press.

For reasons never explained—possibly because they suspected they would have trouble finding the body—the police were reluctant to exhumate the corpse of the July 29 victim. Dental records that could quickly provide a positive identification of the body as that of Mr. Shafizadeh had been sent here on Wednesday by his brother.

The missing man's brother, Dr. Faruk Shafizadeh-Hakim, spent three days here pleading with

[illegible]

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Tia Maria

HILTON INTERNATIONAL

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The Hilton is a true Parisian hotel in a particularly pleasant area near the Eiffel Tower. The guest rooms are spacious, comfortable, and have a warm French contemporary spirit. Two colour films are shown daily in addition to the normal TV programmes. The Paris Hilton's three restaurants are favourites of Parisians and foreign visitors, too.

WIEN HILTON
The Hilton is a beautiful hotel which reflects the imperial magnificence of old Vienna. At the heart of the city and adjoining the air terminal, the hotel offers luxurious rooms, fine restaurants, elegant decor and many other facilities.

ATHENS HILTON
Centrally located within walking distance of the business and entertainment centre of the city, this is the finest hotel in Athens. The Hilton offers five great restaurants, splendid guest rooms, an outside pool and many other facilities.

For reservations, contact your travel agent, any Hilton hotel or Hilton Reservation Service office in Frankfurt, Geneva, Hamburg, Lisbon, London, Madrid, Paris and Stockholm.

Federal Action Asked

Chicanos in Texas Protesting Killings by Police

By Juan Vasquez

SAN ANTONIO, Texas, Oct. 18 (UPI).—It was nearly eight years ago, after extensive hearings, that the U.S. Civil Rights Commission asserted that "there is evidence of widespread patterns of police misconduct against Mexican-Americans in the Southwest" and cited incidents of excessive police violence against Mexican-Americans.

Today, similar charges are echoed across Texas in the aftermath of a series of incidents in which Mexican-Americans have been killed while in the hands of law enforcement officers.

A wave of protests reached the Justice Department in Washington after a jury in the eastern Texas town of Huntsville last week found two former Houston police officers, accused of drowning a young Chicano, guilty of criminally negligent homicide, a misdemeanor.

The Houston case was transferred to Huntsville on a change in venue.

The decision drew protests from Mexican-Americans and calls for federal action from such state officials as Gov. Dolph Briscoe.

Further, the jury's action focused public attention on the question of what progress, if any, had been made since the Civil Rights Commission hearings in late 1969. It raised the larger political question of whether Mexican-Americans have become more influential in public affairs in this state since that year.

"Mockery of Justice"

State Rep. Ben Reyes of Houston, reflecting the comments of other Chicanos, termed the decision "a farce." Ray Ramirez, the state executive director of LULAC, one of the oldest Mexican-American civil organizations, called it "a mockery of justice."

Mr. Reyes was among the first to call upon the federal government to step in and bring civil rights charges against the former police officers.

On Friday, a group of Mexican-American leaders met privately in Washington with Terence Adams, special assistant to Attorney General Griffin Bell, and told reporters afterward that they felt confident that the Justice Department would act. "We were told that there was no longer any question about the federal government investigating the case," said Ruben Sandoval, a San Antonio lawyer who was on hand. Mr. Sandoval said he had reason to believe that a federal indictment would be forthcoming within 10 days and that at least three former Houston police officers would be named.

Mr. Sandoval played a key role in the case that led to a change in Justice Department policy on dual prosecutions by states for criminal charges, by the federal authorities for violations of civil rights.

Mr. Bell issued a directive in February, shortly after he took office, stating that henceforth the policy regarding federal prosecution "is that each and every allegation of a violation of the civil rights laws shall be evaluated on its own merit." The previous policy, outlined by Attorney General William Rogers in 1969, had been to discourage dual prosecution.

Disturbance in Tavern

The Houston case involves the death in May of Jose Campos Torres, 23, who was arrested after a disturbance in a tavern. At the former officers' trial, it was testified that Torres was taken to an isolated area near a Bayou by six police officers and kicked and beaten.

Then he was taken to a police station, where a police sergeant refused to book him, and ordered him taken to a hospital. Instead, he was returned to the Bayou, where, according to testimony, he was pushed into the water.

His body was found three days later. One of the six officers, a recruit, reported the incident to his superiors and the indictment of officers Terry Denson and Stephen Orlando followed. The defendants contended that Torres had jumped into the water and that they saw him last as he swam away.

The two officers were found guilty of negligent homicide and sentenced to a year in jail and \$2,000 fines each.

Killed in Police Car

Two other recent cases have also aroused the Texas Chicano community. Twelve-year-old Santos Rodriguez of Dallas was shot and killed by police officer Daryl Cain while he was handcuffed in a police car. The officer was convicted of murder without malice and drew a five-year sentence.

Juan Zuniga, who had been involved in a fight outside his cell, died of a ruptured spleen and other internal injuries in May at the Hays County Jail, in Sierra Blanca, near El Paso. Mr. Sandoval and others who have accused the county sheriff and his wife, a deputy, with assaulting Zuniga. The sheriff and his deputies have not been indicted by a state grand jury, and there has been no subsequent action.

Senators Reject Carter Nominee To Nuclear Post

WASHINGTON, Oct. 18 (UPI).—President Carter suffered a sharp setback yesterday when a key Senate committee rejected his choice of a Massachusetts Institute of Technology nuclear engineer, Kent Hansen, to be the fifth member of the Nuclear Regulatory Commission.

Mr. Hansen was rejected 7 to 4 by the Senate Committee on Environment and Public Works after members objected that he lacked experience in nuclear regulation and was insensitive to safety questions.

However, Mr. Carter's efforts to prohibit the spread of nuclear weapons gained fresh support on Capitol Hill when key senators and members of the House appeared in favor of an administration plan to take over ownership of spent nuclear fuel.

The fuel would be stored in facilities controlled by the government pending enactment of a policy to reprocess it or dispose of it permanently.

Richard Brashears, 60, a space expert, dies

WASHINGTON, Oct. 18 (UPI).—Richard Brashears, 60, a space technology engineer at the Johns Hopkins University's Applied Physics Laboratory, died Friday after a heart attack.

Mr. Brashears specialized in the mechanical design for several experiments on the effect of weightlessness on astronauts in space. He also developed a valve to insure that pilots who become unconscious during flight receive an adequate supply of oxygen. In addition, he developed a rebreathing system to reduce the amount of oxygen that pilots and astronauts have to carry with them.

When Miss Clark walked into the Army Reserve center in nearby Los Alamitos nearly two years ago, she did not hide the fact that she was a transsexual—and Lt. Col. Art Wolford (ret.), an administrator for the 48th Medical Battalion, assured her the sex-change operation did not matter.

"I'm the one who enlisted her, and she made absolutely no attempt to hide her background," Col. Wolford said recently, a few days before he received orders from 6th Army headquarters not to discuss the case with the press.

"It didn't bother me one bit. She was a person qualified to do the job we needed done."

But he obviously was wrong about the sex-change operation not mattering. Officially, the Army took a dim view of having an admitted transsexual in its ranks.

So on Aug. 10, after 18 months of Army service, Sgt. Clark received a letter informing her she was being released.

The official statement from the Office of the Chief of Legislative Liaison reads:

"In accordance with current Army Regulation 40-501, an individual with abnormalities and defects of the genitalia such as

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At left, Joanna Clark in a recent photo; at right, before sex change, as Michael Clark, a Navy veteran.



Had Served in Navy as a Man

Transsexual Fights Release From U.S. Army

By Shearlean Duke

LOS ANGELES, Oct. 18.—Chief Petty Officer Michael Clark spent nearly 12 years in the Navy. He accumulated a folder full of letters of commendation and was well liked by his colleagues.

Sgt. 1st Class Joanna Clark spent nearly two years in the Army Reserve. She, too, accumulated a folder full of letters of commendation and was well liked by her colleagues.

Michael Clark and Joanna Clark are the same person—and possibly the only person in the United States ever to serve in one branch of the armed services as a man and in another branch as a woman.

Michael Clark served in the Navy from 1967 to 1969, when he was honorably discharged. In 1975, he underwent a sex-change operation and became—legally and biologically—a woman named Joanna Clark.

Several months following the surgery, Miss Clark enlisted in the Army Reserve, where she served for nearly 19 months as a sergeant 1st class.

She joined the Reserve because she had liked the military and, with nearly 18 years in the Naval Reserve, hoped to accumulate a few more years of service toward military retirement benefits.

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"In accordance with current Army Regulation 40-501, an individual with abnormalities and defects of the genitalia such as

change of sex is disqualified for enlistment. It is the Department of the Army policy not to waive this disqualification due to the requirement for continuing maintenance therapy and the high incidence of psychological problems associated with the condition."

Why was Joanna Clark allowed to serve for 19 months before the regulation was enforced? The answer to that question is under investigation by the Army Inspector General's Office in Washington.

All this has left Joanna Clark confused and angry. She says that as long as she is able to do her job she should be allowed to stay in the Reserve.

Miss Clark, who is doing clerical work through a temporary employment agency in nearby Orange County, has been trying to fight the Army's decision to release her. She believes that Army Regulation 40-501 should be done away with or, at least, waived in her case.

There are others who share her opinion.

One of them is Capt. J.C. Smith, a Navy doctor in Long Beach who is often called upon to do Army physicals. After being asked to complete a physical examination of Miss Clark in July, Capt. Smith recommended she be allowed to remain in the service.

"I found no reason, physically or mentally, that she couldn't perform her duties," Capt. Smith, a doctor at the Naval Regional Medical Center, said in an interview. "Personally, of course, it was my feeling that since they (the Army) knew about her and she had served that long—she wasn't trying to hide anything—I felt a waiver could be granted."

She is able to do her job and she has shown she can do her job. A waiver could be made, but it would have to come from the Army.

Col. Wolford, the man who signed Miss Clark up for the Reserve, also believes she should be allowed to stay.

Miss Clark believes the Army position not to grant a waiver is based on fear and the need to save face.

"I served with honor and distinction during my Army Reserve career," she said, "without physical or psychiatric impairment. This is borne out by the numerous letters of commendation I received."

Miss Clark, 39, said her change operation two years ago was the result of years of frustration and confusion. "As back as I could remember, I couldn't understand what it was I felt or why I felt that way," she said. "All I knew was I was different from other people. I didn't enjoy the things they did. I did do them, of course. Society is a very tight teacher in making you conform. So I learned very quickly that I could do and the things I couldn't do."

By Los Angeles Times.

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By Los Angeles Times.

U.S. Supports School in California

College Teaches Indian and Hispanic Lore

By Joel Kotkin

DAVIS, Calif., Oct. 18 (UPI).—Students and faculty from DQJ, a tiny two-year college 25 miles northwest of Sacramento, stood quietly by the fire. Suddenly, Darrel Standing Elk, the son of a South Dakota Sioux medicine man, started speaking in his native language.

"Let's go into the sweatbox," translated a student, and the men and women, dressed only in towels, entered their separate huts. Hot rocks were brought in, the huts were closed. The rocks caused the half-dressed DQJ personnel inside to begin to sweat profusely.

"I pray for this school," said Mr. Standing Elk, a 37-year-old preacher, "to give our youth guidance in these times." Dennis Banks, former national director of the American Indian Movement and an instructor in Indian law, banged slowly on a drum.

The ceremony was part of orientation at DQJ, a federally backed, accredited, predominantly native American-Hispanic college. Students and faculty go through Indian rituals like entering "the sweatbox" to purify themselves for the new school year.

Established in 1971, Degawadish-Quezacoatl University, named after the founder of the old Aztec civilization and the Aztec god of life, was established in 1971 on the site of an abandoned, 640-acre military base. The university aims to prepare American and Mexican-American students for a white-dominated society by teaching them their own history, culture and religion as well as basic learning skills.

The school had a stormy beginning. In 1970, a handful of Indian militants occupied the site. The Indians and the University of California at Davis, seven miles to the east, were petitioning the Department of Health, Education and Welfare, which controls the land, for the 640 acres. After three months of occupation, the university and HEW agreed to let the Indians remain.

When it opened, DQJ had about 150 students, most of them Indians and Mexican-Americans. This year, according to university president Steve Baldy, 27, from the Hopo reservation north of San Francisco, about 225 students are expected to register.

During its first few years, DQJ scared many local residents in the predominantly rural area. Bombs exploded on the campus and some shooting incidents were recorded.

"Little More Friendly"

"The local redneck farmers were pretty leery of us in the beginning," said Mr. Baldy. "But now they're a little more friendly. I don't think the local white farmers really know us, but they don't bother us and we don't bother them."

Mr. Baldy and other DQJ officials believe that part of their

growing acceptance is due to their increasing disciplinary approach to education—a sign that the school's front gate warns people not to carry alcohol, drugs or firearms onto campus.

In addition, on July 1 DQJ became a fully accredited two-year school, granting associates of arts or sciences degrees in general agriculture, native American or Hispanic studies, social science, community development and education.

With a 30-year lease from HEW, the school has been able to subsist on a \$500,000 annual budget. Most of the funds come from federally financed student-aid programs, the rest from tuition and private donations. In addition, crops—wheat, corn, tomatoes—are grown and are used to feed students and to raise cash.

Among those working in the fields is Mr. Banks, wanted by South Dakota on 1973 riot and assault charges. In April, a state court ordered California Gov. Edmund Brown Jr. to extradite Mr. Banks. An appeal on that ruling is expected to be heard within the month.

Mr. Banks, who in addition to working in the fields teaches Indian law and religion, said, "We want to help him [the student] live off the reservation and still be an Indian when he dies, and have a medicine man conducting the burial ceremony, a representative of the Pope."

Religion Important

Native American religions become increasingly important at DQJ. During the full moon the summer, native Americans and a few whites gather for sun dance. Throughout the year, "sweatbox" rituals are performed. These ceremonies have been used by the whole world to the abilities of life," Mr. Banks said. "I've become a much deeper person. I've gained 1,000 per cent what I was before in my understanding of Indians and the earth. I know not only Dennis Banks, the politician, Dennis Banks, the offbeat."

Inside the steamy hut, Standing Elk and the others prayed for their ancestors, for dawns in hospitals, in prisons on reservations. They also prayed for DQJ, which they said has become a necessary part of their struggle to keep their culture alive.

"I know, dear grandfather," Standing Elk said, "that you say the Indian has lost his religion, but here, we know, it's true. We may be down but still believe in this hut. As we are Indians, there are our religion. When there is no religion, there will be no Indians."

Illegal Party in Chile Urges Restoration of Democracy

By Juan de Onis

SANTIAGO, Oct. 18 (UPI).—The outlawed Christian Democratic party has issued a political declaration proposing a "national movement of democratic restoration" to replace Chile's military regime with a constitutional government.

The declaration did not attack the armed forces, which have maintained an authoritarian regime since the overthrow of President Salvador Allende in September, 1973, but it rejected the plan of President Augusto Pinochet to retain office for at least eight years.

It calls for a gradual transfer of power to an elected civilian government, but says that the process should begin immediately with termination of the state of siege, which suspends political liberties and judicial guarantees against arrest and imposes censorship.

The junta has outlawed all political parties that existed under the leftist government of Mr. Allende. Political declarations or assemblies are prohibited.

Despite the restrictions, news of the declaration was published by several newspapers in brief items based on news agency

dispatches from Caracas, where the declaration was distributed. The declaration called on Chicanos, including members of the armed forces, to respect for democratic government and to work in a non-bisan national movement restoration of constitutional guarantees for human rights and elected government.

The Christian Democrats considered the largest political party in Chile and governed from 1964 to 1970 under President Eduardo Frei before the election of Mr. Allende's coalition.

Frei, who lives in Chile, is the leader of the leadership that adopted the declaration.

Although the Christian Democrats strongly opposed the military tendencies of the Allende government, President Pinochet has blamed all the former political parties for the Chilean crisis of 1973, and he is particularly antagonistic toward Mr. Frei, the Christian Democrats.

The declaration rejected armed resistance or illegal subversion against the military government. "This course is historically suitable today only offers Chileans new and foreseeable sufferings," it said.

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News Analysis

Communist Leaders Debate Response to Eurocommunism

By Flora Lewis

BELGRADE, Oct. 18 (NYT)—A debate is going on at several levels of the Soviet hierarchy on how to deal with Eurocommunism, and, by implication, internal pressures for liberalization, according to Soviet and other Communist sources at the European security conference here.

Such a debate had been suggested in the Soviet publications and the press of other Communist parties. Western embassies in Moscow also have reported that a tug-of-war appears to be taking place within the Soviet leadership, although they have been unable to pinpoint the issues or to give the precise time-up.

The development is obviously complex and probably involves the treatment of Soviet dissidents and Western pressure for human rights. But it appears to have crystallized more around the question of Eurocommunism.

Soviet Commentary
Some evidence has come to light in the Soviet weekly journal *New Times*, which is printed in seven languages as well as Russian and is distributed widely abroad. It was *New Times* that launched the first big barrage against Eurocommunism, most particularly against Spanish Communist leader Santiago Carrillo after the June 15 Spanish elections.

A few weeks later, in a little-noticed article, it seemed to retract much of what it had said, denying that Moscow had found anything to complain about in the views of other Communist parties or even of Mr. Carrillo. The paper said that it was only exercising its right of reply to the Spanish leader's criticism of the Soviet Union, and charged that the Western press had distorted Moscow's views in an attempt to stir up trouble among comrades.

In the September issue, which was printed before the collapse of the Communist-Socialist alliance in France and which reached the West only recently, the attack was renewed in more general terms. The vehicle was an article about Maurice Thorez, the late leader of the French Communists, who was an ardent Stalinist.

Thorez Quoted
The article, entitled "We Believed and We Were Right," noted with approval the remarks of Mr. Thorez in the preface to his works published in Moscow in 1959 that "the revolutionary workers realize that the catchword of 'national communism' handed about by the bourgeoisie and its agents is only designed to disrupt the unity of the world working-class movement."

Numerous other passages quoted expressed "ardent love" for the Soviet Union as both leader and example, and rejected as "slandering" the idea that "Franco-Soviet friendship and the alliance of our countries could be an obstacle to French patriotism."

At another point, *New Times* noted Mr. Thorez as saying, "The Soviet Union's example has demonstrated that the taking of this power by the working class—the dictatorship of the proletariat—alone makes it possible to destroy the capitalist regime of exploitation, oppression and war, and to build socialism."

Clear Criticism
The French Communists have abandoned the dictatorship of the proletariat.

Djibouti Attack Kills Aide's Kin

DJIBOUTI, Oct. 18 (Reuters).—The mother of Djibouti's justice minister was killed this week when gunmen attacked a light plane at the northern Djibouti town of Tadjourat, police said today.

The attack, in which the 10-seat French pilot of the 10-seat Djibouti Airlines plane also was killed, was believed to have been directed at the mother of Minister of Justice Ali Tassadit.

Mr. Tassadit is known for his support of Somali-backed guerrillas fighting against Ethiopian forces in the Ogaden Desert. Following the plane attack, President Hassan Gouled called a session of his national security council to decide what measures could be taken to prevent the Ogaden war from spreading into Djibouti.

the proletariat as their goal and declared their allegiance only to "Communism in the French colors." Occasionally they criticize the Soviet Union. The publication of the Thorez remarks was an obvious assault on the French party's line.

Private remarks at Belgrade confirmed that Moscow's anger was now particularly aimed at the French, although they have not gone nearly as far as the Italian Communists, let alone the Spanish Communists, in rejecting Marxist-Leninist orthodoxy and accepting the forms of Western democracy.

Soviet and Eastern Communist sources criticized the French mainly for their lies at Moscow. But they also let it be understood that the Italians' greater success at the polls as well as their greater discretion in speaking of the Soviet Union was significant in their eyes.

And they pointed out that Mr. Carrillo would be going to Moscow for the 60th anniversary of the Bolshevik Revolution, which implies a degree of acceptance of his independent stand because he has recanted nothing.

Positions
There are two trends in the general policy of what has come to be known as Eurocommunism. One is nationalism, the rejection of the Soviet claim to prior allegiance, which, in Moscow's code, is called "proletarian internationalism."

The second is liberalization, the announced acceptance of pluralism and democratic civil liberties. A curious aspect of conversations with Eastern Communists in Belgrade was the interest shown in the liberalizing trend of Eurocommunism, although attacks on Moscow in the name of nationalism were still denounced.

Yugoslavia itself, the pioneer of Communist innovation and of rejection of Moscow as a model, provided a fascinating example to some important Soviet sources who presumably back the softer faction in the debate in Moscow.

One went so far as to say that he greatly admired Yugoslavia's "openness," its ability to experiment and to permit a fairly easy interchange of people and information with the West while maintaining "firm and strong party control."

"Experiment is necessary," he said, and he welcomed the fact that Yuri Andropov, the head of the KGB, would be visiting Belgrade soon because that might open his eyes to some new possibilities. It sounded as though, after almost 30 years, President Tito's successful confrontation with Stalin was beginning to percolate into some sections of Soviet thought.

U.S. May Scuttle Sea-Law Talks, Delegate Warns

LOS ANGELES, Oct. 18 (UPI).—The United States could effectively scuttle an important United Nations conference on the law of the sea if it decides not to participate in the negotiations, according to Ambassador Elliot Richardson, the chief U.S. delegate to the conference.

In the Los Angeles Times report Mr. Richardson warned that the United States may decide to withdraw from the conference if the negotiating position shied out by many industrialized countries is not needed by underdeveloped nations, who form a majority bloc at the conference.

Mr. Richardson, in Los Angeles to address the World Affairs Council, said that the United States is "re-evaluating" its participation in the UN meetings. Officials will decide later this year whether to take part in the next negotiating session, scheduled for next March in Geneva.

The conference began in 1974 and involves negotiations among more than 150 countries to develop a treaty which will regulate the use of the world's oceans.

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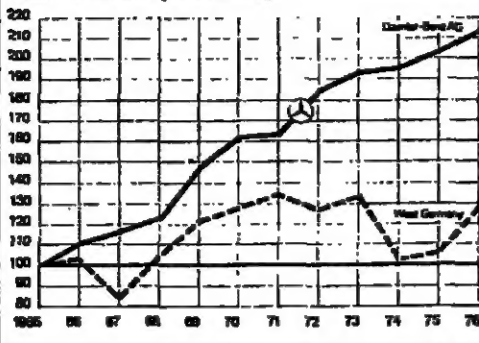
Efficiency today safeguards tomorrow's growth

1976

was a highly successful year for Daimler-Benz with all sectors of the Company's activities making their contribution.

World sales rose DM 2.5 bn on the previous year to DM 23.5 bn—an increase of 12%. Daimler-Benz thus continued the dynamic upward trend which it has managed to sustain even during the difficult period through which the car industry has been passing in recent years.

Car production of the motor industry in West Germany 1965-1976 compared with that of Daimler-Benz (1965=100)



This success, past and present, can be explained by the careful balance of the overall policy.

The year's Highlights

Expansion of the Mercedes-Benz range of cars from economical diesel-powered vehicles to exclusive limousines.

The chief event of the year was the introduction of an exceptionally successful new range of models—the 200 to 280 E series which gained new customers. One third of those buying one of this new range had previously driven a different make.

Despite having to cope with a re-organisation of the production programme affecting 80% of car output, 1976 sales in this sector were up 18% or DM 1.5 bn to DM 9.4 bn.

1976 saw the output of the 280/280E models more than double to 35,000, while S class models from the 280 S upwards further improved their leading position in the market.



Encouraging trends in sales of Mercedes-Benz commercial vehicles.

Sales of commercial vehicles were up DM 0.7 bn to DM 9.3 bn.

As Europe's largest manufacturer of commercial vehicles, Daimler-Benz has gained for itself a very strong position on the world market with its new generation of trucks. The high sales volume achieved enabled full advantage to be taken of large scale production.

Start of long-term investment programme.

Investment for the 5 years from 1977 to 1981 will total DM 6 bn—dynamic spending which clearly reflects the Company's sense of social responsibility. This commitment has already had favourable repercussions on the business of the company's suppliers, and on the capital goods industry generally.

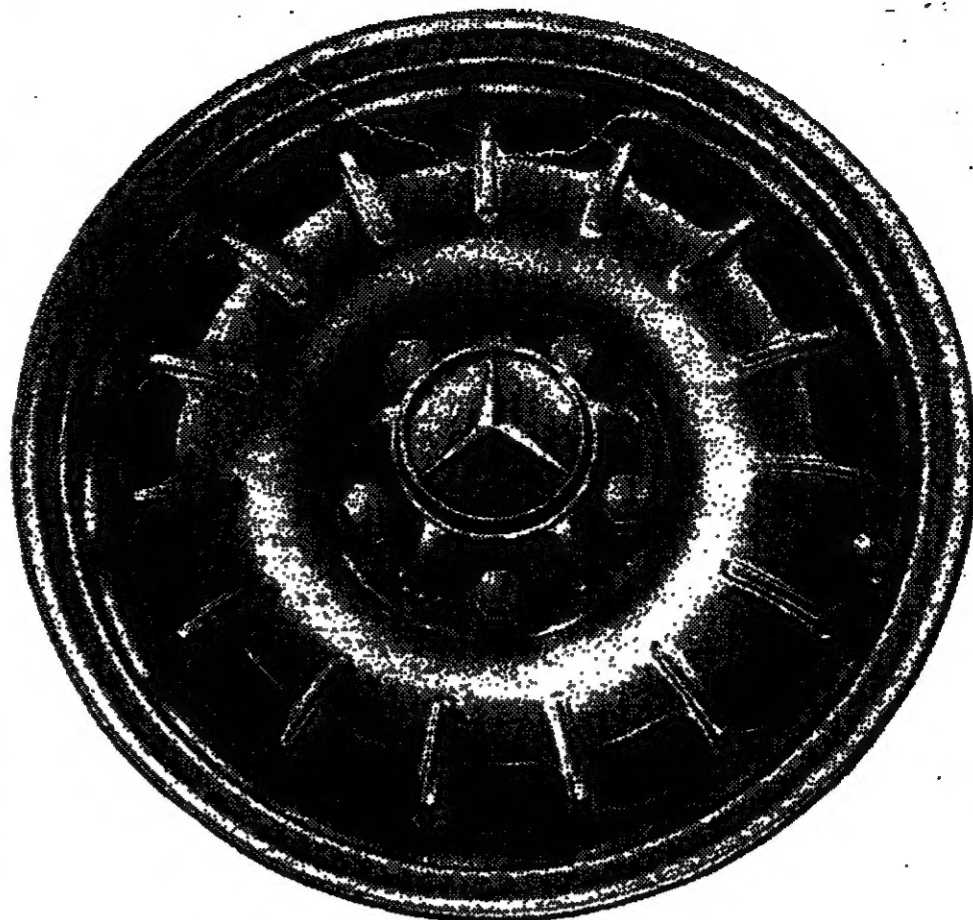
In particular, funds will be allocated for more intensive activity in the private car sector and for securing work in the longer term for commercial vehicle factories.

Risks spread by expanding exports.

Continuous expansion of the Company's presence is undertaken in almost all markets. This intensive activity in the export field is an important factor in the Company's policy of risk-spreading. Foreign sales rose 11% to DM 13.1 bn thus accounting for 55% of group sales.

Continuous technological improvement.

Continuous development of company and model policy—avoiding exaggeration and change for change's sake—and systematic research and development, result in top quality products outstanding for their safety, economy and long life. Again and again, Mercedes-Benz cars have received special recognition from independent observers of the motor industry scene. Witness such awards as



The Daimler-Benz approach:

Continuity

Steady growth, well-planned financial provision and product development—all with an eye to the long term—mean continuity in terms of both customer satisfaction and of security for employees and shareholders alike.

Technological leadership

The high standard of design and manufacture and emphasis on research and development results in products which hold their value, use energy sparingly, are safe and environmentally acceptable.

World-wide presence

Sales are world-wide—so risks are well spread.

Wide product range

The spread of vehicle types produced is wide—ranging from economical four-cylinder cars up to technically advanced and prestigious cars like the 450 SEL 6.9. Commercial vehicles range from light vans to heavy trucks, city buses and touring coaches to UNIMOGs and tractors.

Economic responsibility

A high investment programme, designed to secure existing jobs and trainee places as well as creating new ones, coupled with a policy of price restraint, reflects a policy of social responsibility.

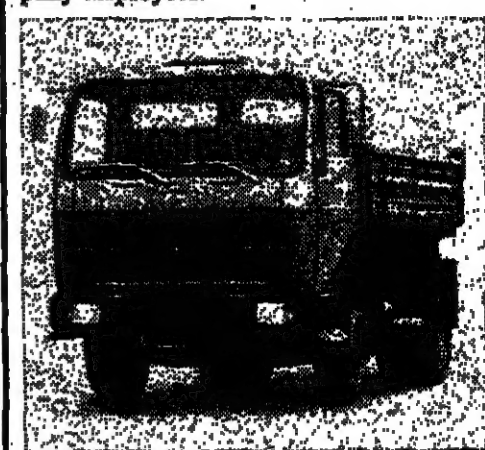
the German "Commonsense Automobile" and "Best Limousine in the World" and the American "Import Car of the Year".

Research and Development has produced many technical advances. Projects included the testing at continuous high speed of a supercharged diesel engine. The C111 test vehicle gained 16 class records for diesel engines, and three outright world land speed records—over 5,000 miles, 10,000 miles and 10,000 kilometres—records which were previously always held by highly sophisticated petrol engine cars.

Solid financial foundation.

Net income for the year rose in 1976 from DM 310m to DM 392m of which DM 167m was allocated to reserves. To broaden further the Company's capital base, the AGM voted in favour of a capital increase of DM 170m based on a one-for-seven issue at par. The amount set aside for dividends is DM 225m, which compares with DM 202m in the previous year.

Daimler-Benz shares are now widely held. Including shareholders in Mercedes-Benz AG, they number more than 100,000, of whom 15,000 are company employees.



The outlook.

The Company's progress is encouraging. In the current year car production will, for the first time ever, exceed 400,000 units, thus further strengthening the Company's ability to supply the market. Commercial vehicle production will be roughly on a par with last year.

Daimler-Benz recognized at an early stage that demand for motor vehicles was subject to considerable fluctuation and took this fact into account in its planning. The result has been above-average growth in the past (see graph). Since efficiency today safeguards tomorrow's growth, a sound basis has been created for the Company's future expansion.

Daimler-Benz AG Balance Sheet at December 31, 1976 and 1975

(Restated to conform with presentation used in English-speaking countries)

Assets	Dec. 31, 1976		Dec. 31, 1975	
	DM		DM	
Current assets				
Cash	760,413,480		507,539	
Marketable securities, at cost or market whichever is lower	486,460,846		88,085	
Accounts and notes receivable (less allowances)	1,119,558,247		1,036,870	
Accounts and notes receivable from affiliated companies	806,522,826		892,341	
Inventories	1,659,594,657		1,721,771	
Other current assets	731,909,959		316,541	
Prepaid expenses and deferred charges	2,435,057		1,301	
Total current assets	5,568,894,872		4,384,448	
Investment and miscellaneous assets				
Investments in non-consolidated subsidiaries, at cost less reduction in carrying value	380,752,589		369,640	
Other investments, at cost or market whichever is lower	92,556,276		92,560	
Long-term receivables due after four years	1,008,655		1,252	
Total investments and miscellaneous assets	474,317,520		463,452	
Real estate, machinery and equipment				
At cost less accumulated depreciation	1,788,959,388		1,884,040	
Total assets	7,828,171,781		6,711,940	
Liabilities, Reserves, and Stockholders' Equity				
Current liabilities				
Accounts, drafts, loans, taxes payable, and sundry accrued items*	3,218,724,916		2,548,055	
Accounts payable to affiliated companies	20,481,011		40,172	
Total current liabilities	3,239,205,927		2,588,227	
Long-term liabilities				
(Of which owing to Daimler-Benz Provident Fund GmbH, Stuttgart, DM 348.4 million in 1976 and DM 318.8 million in 1975)	588,288,385		581,191	
Reserves				
Reserve for pension liability	827,732,237		416,518	
Other reserves	788,245,290		721,531	
Reserve for investments in developing countries etc.	74,910,063		71,789	
Total reserves	1,690,887,586		1,209,838	
Stockholders' equity				
Capital stock:				
Preferred stock	1,921,500		1,921	
Common stock of DM 50 par value, 23,743,290 shares	1,187,164,500		1,187,165	
Net income retained for use in the business	1,331,921,840		1,141,478	
Total stockholders' equity	2,440,587,840		2,330,564	
Total liabilities, reserves, and stockholders' equity	7,828,171,781		6,711,940	

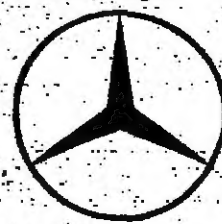
* Includes of about 100 million DM in the amount of 1.2 billion DM in 1975.

Daimler-Benz AG Statement of Income

(Restated to conform with presentation used in English-speaking countries)

	Year 1976	Year 1975
	DM	DM
Net sales	18,766,455,124	16,850,579
Dividends and interest income from subsidiary and affiliated companies	30,431,083	23,426
Interest income less interest expense	131,203,893	90,961
Other income less deductions	106,200,186	59,257
Total	19,034,290,286	16,924,223
Less:		
Cost of sales and other operating charges including selling, general and administrative expenses, exclusive of items listed below	16,477,104,670	14,815,366
Depreciation and obsolescence of real estate, machinery and equipment	785,404,755	785,850
Taxes on income, trade and property	1,378,061,841	911,418
Total	18,640,571,276	16,512,634
Net income for the year	383,719,220	311,589
Dividends on preferred stocks	64,050	64
Amount earned on common	383,655,170	311,525
Number of shares of common stock at DM 50 par value (exclusive of treasury stock)	23,642,748	23,714,360
Amount earned per share of common stock	DM 16.65	DM 13.14

Copies of the full annual report and audited accounts in English can be obtained from Daimler-Benz AG 7000, Stuttgart.



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مكتبة الأهل

Clearing the Way to Canal Treaties

The clarifying statement by Presidents Carter and Torrijos on the pending Panama Canal treaties should deflate the opposition in Congress and clear a path for their approval by the Senate. One can never be sure in this emotional realm what nationalistic or partisan dreams will next be imposed on so sensitive an exercise in diplomacy, but as Sen. Robert Byrd, the majority leader, has observed, the joint interpretation by the two leaders last Friday "goes to the heart of the objections that have been raised and that can be raised."

Having found no errors of commission in the language of the treaties, the critics had trained their guns on supposed errors of omission—points of vagueness that were alleged to leave intolerable loopholes. But the main objections centered on two issues: the rights of the United States to defend the neutrality of the canal by force, if necessary, after the year 2000 and the enduring right of American war vessels to enjoy priority passage, particularly in case of emergency. Rep. Philip Crane (Ill.), a leading House critic, wrote that his "most substantial" concern was about the "incredible discrepancy between President Carter's interpretation of the treaties and that of the Panamanian government." Senator Robert Dole, another leader of the opposition, struck the same theme.

It is true that the words sometimes used by Panamanian spokesmen encouraged these concerns. But Gen. Torrijos offered the best explanation for the semantic divergences when he referred to the problems of selling the same treaty product in two different markets. He made substantial concessions in the negotiations—so substantial that ratification by Panama might even be in ques-

tion now if its political system were as open as our own. Panamanian audiences have been soothed with words chosen to minimize the concessions, but there was never much doubt that both governments well understood what the treaty terms actually meant.

In any case, whatever doubt remained should now have been dispelled. On the two most disputed points, the statement Mr. Carter and Gen. Torrijos made is clear and unequivocal. The United States has "the right to act against any aggression or threat directed against the peaceful transit of vessels through the canal" provided only that such action shall be aimed not at intervening in Panamanian affairs but "at insuring that the canal will remain open, secure and accessible." And United States warships and auxiliary vessels will be entitled to passage through the canal "as quickly as possible, without any impediment, with expedited treatment, and in case of need or emergency, to go to the head of the line of vessels in order to transit the canal rapidly."

President Carter has gone the extra step to meet legitimate concerns in the Senate. Gen. Torrijos has gone further, demonstrating a willingness to take considerable political heat at home to help the package through the Senate. The treaties can thus be recognized for what they were all along, one of the United States' great achievements in recent hemisphere diplomacy. They promise increased security for the canal, greater economic development and stability in Central America and elimination of a disturbing issue throughout Latin America. Their rejection now would be a disaster for United States interests and prestige.

THE NEW YORK TIMES.

U.S. Business Confidence

Despite his assault on the oil industry, President Carter has tried diligently to boost the confidence of businessmen in his administration. He pledged to balance the federal budget—a conservative doctrine not heard in Keynesian Washington for decades. He dropped his plan for a \$50 tax rebate lest the deficit grow. He ruled out wage-price controls. And he defied his friends in organized labor on common situs picketing and the minimum wage.

No matter. The fragile eggshell that is "business confidence" has cracked. The surveys say so. The sagging stock market says so. Industry's failure to spend heavily on new plant capacity says so. Business's prolonged sulk has so worried President Carter's economists that their proposed tax reform would include a heavy dose of tax cuts for business as well as individuals. What began primarily as a plan to reform taxes has become in recent weeks a plan to cut taxes to boost the economy and the confidence of business.

Tax reform for its own sake is a critical national need. But we sympathize with the administration's concern about business morale. The world has become a more uncertain place for business since the oil embargo in 1973. Unless corporations sharply increase investment in the months ahead, the 31-month-old economic expansion surely will end in 1978. With unemployment still high, investment has been unusually weak during the recovery period.

Some of the recent business gloom is surely temporary, the natural reaction of conservative Republicans eyeing a little-known Democratic President. Some of it results from the confusing barrage of provocative policy initiatives that the White House fired off, perhaps too fast, to Congress. Some is a lingering hangover from the deep recession and soaring inflation of the early 1970s. Business never dreamed that could happen. Now business has nightmares about it happening again. Only time, if anything, will restore the faith.

There remains, however, a more worrisome reason for the low business morale—the de-

cline in corporate profits. Profits can be measured in many ways; economists quarrel over the details. But most now believe that business simply became less profitable starting in the mid-1950s. Investments no longer pay off as well as they used to for companies and stockholders. This is a much more objective reason for the reluctance to invest and may explain some of the hedging on outlays during the current expansion. The quickest way to boost profitability somewhat and to encourage more investment is to cut taxes. Still, Mr. Carter should not expect a tax cut—or the promise of one—to sweep away the doubts. A tax cut may help sustain the economy, but it will not greatly alter the business climate around the country or overseas.

Not only are profits down but profits of any size are much less certain today than a decade ago. Economists talk of a rise in "risk premiums." In a world where a powerful oil cartel can quadruple fuel prices or cut off critical supplies at will, business planning is extremely difficult. In an international monetary system still groping to cope with the huge transfers of funds caused by the oil crisis, the future must be worrisome. In an economy where inflation and unemployment defy the old rules and rise together, other goblins are bound to haunt business. In a world where international competition has intensified, it's tougher for American business to envision new markets.

With so many cross-currents churning the waters, no wonder business fears the future. Consumers and stockholders do too. But businessmen should be no strangers to risk. Capitalism has been built on their skill at discerning and running risks.

The crystal ball is certainly no darker now than at the end of World War II, when most analysts expected depression. Then, business shook off the doubts and led the nation to an unprecedented expansion. The tax cut may improve the mood of the moment, but it cannot, alone, restore business's confidence in the future, and in itself. Only business can do that.

THE NEW YORK TIMES.

International Opinion

Change in Spain

Prime Minister Adolfo Suarez has demonstrated his skill at dismantling many of the political structures of the Franco era, but he has yet to prove his capacity for constructing a new democratic Spain... Encouraged by the rapidity of change after Franco's death, people had expected a further acceleration in the wake of last June's elections. It has not come.

—From The Times (London).

Victory for Schmidt

Even the most passionate anti-Germanism cannot make one fail to recognize that Chancellor Schmidt, when one adds it all up, defended the values of liberty of a liberal democracy (in the Luftwaffe hijacking). The atmosphere will never be the same again in Bonn... It was proven that the new "measures of exception" (against terrorism) proposed by the Christian Democrat opposition are completely superfluous and that the defense of a democratic order can operate efficiently through democratic means.

—From Le Monde (Paris).

In the International Edition

Fifty Years Ago

October 19, 1932

HAVANA—The Provincial Council has approved a motion to ask Congress to revoke the military order prohibiting cock fighting, and give the local authorities throughout the island power to regulate this amusement and grant permits to allow cock fights on holidays and Sundays. A resolution was passed to the effect that, as country people do not have places of amusement, it is an injustice that billiards, baseball and betting at games should be allowed only in the cities.

Seventy-Five Years Ago

October 19, 1907

WASHINGTON—Cabarets furnishing their patrons with ginger ale and cracked ice to mix with their "hip liquor" are liable to padlocking by the government as violators of the Volstead Act. The Supreme Court decided today, upholding a decision from the Circuit Court of Appeals in the case of two Chicago cabaret owners, William A. Rothstein and Mike Fritzel. This means that the owner of a cabaret is in the wrong, just knowing that illegal drinks are on the premises.



Unhappy Island in the Sun

By C.L. Sulzberger

ATHENS—The United States has not yet reduced its overseas political commitments on a scale comparable to the paring of military forces abroad that back out formal engagements. Thus, while troops are scheduled to leave South Korea and have already shrunk well below their NATO maximum, our diplomacy remains virtually as widespread as during those days when Henry Luce was talking of an "American century."

There must logically be a certain parallelism between political guarantees and the presence of military units in relatively nearby areas. The Chinese are wholly aware of this. They have successfully diminished the U.S. garrison in Taiwan and are working to oust it entirely.

Closer to home there is the intricate question of Greece-Turkey-Cyprus, which is steeped in highly emotional politics and in which the United States has been obsessively involved since the early 1960s and still remains so. This involvement has nothing to do with the original Truman Doctrine to protect Greece and Turkey against Russia (while Cyprus was still a British colony), but it intimately concerns NATO's eastern flank.

Responsibility

And, as an external power friendly to all parties, we are still intent on leading the way to a Cyprus settlement just as we more recently took the lead in seeking an Arab-Israeli settlement. Under Presidents Johnson, Nixon and Ford, American diplomacy was the only vital external factor in the Greek-Turkish-Cypriot triangle and the present mess is to some degree our doing because of our high profile and changing policy.

There is little chance that the United States will stick its nose into this mess again publicly until after next month's Greek and February's Cypriot elections. But when we resume our initiative we should at least do it hand in hand with our European allies, as President Makarios himself suggested to me shortly before his death.

Letters

PLO Attitudes

I would like to take issue with Mr. Said ("Christian Palestinians in Lebanon" Oct. 10) regarding his approach to the Middle East conflict. For a Christian, he seems to care little for the treatment meted out to his fellow Christians by the PLO and their Muslim allies. Indeed, it was only the humanitarian intervention of the Israelis in southern Lebanon that prevented genocide. If the Palestinians cannot coexist peacefully in Lebanon with Christian Arabs, how can they be expected to adopt a more benevolent attitude to Jews? Surely the Lebanese conflict illustrated only too clearly the folly of the PLO claim that they can get up a "secular-democratic state" in which Jew, Muslim and Christian can live together peacefully.

The more realistic and humane approach to the problems of the Middle East will not be achieved by PLO representation at Geneva. For there to be a realistic approach, there needs to be a mutual recognition of sovereignty and the PLO in Article 21 of its national covenant says that the PLO "rejects every solution that is a substitute for the complete liberation of Palestine." Quite clearly, this avowed aim of the total destruction of Israel is incompatible with Mr. Said's desire for a humanitarian approach to peace.

London. GERALD REID.

Energy Prices

What's so damned repugnant about a profit? We seem to be missing the entire picture in the editorial (Herald, Oct. 1) entitled "Energy and the U.S. Senate." The argument that existing oil and gas shouldn't benefit from

the problem is charged with hatred but all sides agree that the treaties which founded independent Cyprus must be scrapped and that it should become a federal republic with primarily Greek-speaking and primarily Turkish-speaking states. The Greeks wisely wish to separate the problem of nonaligned Cyprus from their own bilateral quarrels with NATO Turkey.

However, Washington has hitherto ignored this sensible idea so that every suggested bilateral accord in the Aegean is immediately tied to Cyprus.

Reparations

The critical points concerned in solution are delimitation of the separate states, departure of what even Makarios estimated were about 30,000 Turkish troops (not 40,000 as Greek papers say), reparations to those who lost their property and the extent of a federal government's power.

Turkey today has almost 20 per cent of the island's population (it used to be 18) and its adherents govern about 35 per cent of the land. There is no sensible reason, once there is a sober and international—and national—mediatory mission, why this figure can't be reduced to around 30 per cent.

On May 7, 1976, Henry Kissinger told me: "It could all be settled in a two-week shuttle. But the domestic situation in both Greece and Turkey makes both sides absolutely intractable. Therefore, they continually tell us one thing in private and make completely opposite speeches in public." The latter is an ancient regional custom.

Dean Acheson (as special adviser to President Johnson) and Kissinger both made a mess of the Cyprus issue. Kissinger acknowledges it was his greatest diplomatic failure. Secretary Cyrus Vance is personally respected by all parties but that can't last long unless he starts to share the diplomatic burden with our major allies.

And U.S. policy has changed. Speaking for Johnson, Acheson wrote the Greek premier pledging support for the union of Cyprus with Greece if Athens would agree

to establishment of a separate Turkish base on the Karpas peninsula, comprising only 5 per cent of the island.

He audaciously thought he could gain Turkish approval. It was the Greeks who first turned him down. Johnson backed up his special envoy by warning the Turks that if they tried to land on Cyprus, U.S. armed forces wouldn't help them should Moscow attack Turkey.

The situation has changed: Athens and Ankara are reconciled to creating a federal state. Makarios is dead. There is a strong government in Greece (which will most likely remain after next month's elections). It wants to do away with the Cyprus headache and concentrate on Aegean problems with Turkey.

Admittedly, Turkey has a weak government which relies on minorities of neo-fascists and reactionaries. But even that situation can perhaps be faced if only a new approach is decided upon in Washington, urging upon allied Europe a larger mediatory role.

A Korean's Plea for Understanding

By Kim Dong Ree

SEOUL—I always respect the spirit of freedom, which is regarded as the basic concept on which the United States was founded, and the humanitarianism passionately cherished by the American people. Indeed, I value them as much as anyone else does. This may be because I love and believe in them.

I also believe that most of my fellow countrymen share my view. We Koreans are no less passionate in the love for freedom and justice and humanity, and no less determined to safeguard them, even at the risk of our lives, than the American people.

But the circumstances surrounding us and the destiny of our Koreans are poles apart from those of the American people. By this I do not mean to say that we, as compared with the Americans, have a small land

and population or that we lack wealth and nuclear weaponry, but I am trying to emphasize the circumstantial fact that our freedom, humanity and lives are under a constant threat by a Communist regime.

You should not associate what I call here a Communist regime with the Soviet Union or East European states of today, nor even with Communist China. A regime that is more hideous and brutal than the Stalinist regime in its early stage is poised only 25 miles from our capital, Seoul. This regime is threatening our freedom and existence by extremist methods.

Motivation

The controversial lobbying activities of Tongsun Park must be seen in the light of the peculiar circumstances we Koreans are in. I am a mere housewife in Seoul who has never met this Mr. Park. I am in no position to judge whether his activities were illegal or not in the eyes of United States law. But, judging from the charges against him in the indictment, his alleged activities were motivated by his desire to prevent the withdrawal of United States troops from Korea or to secure more assistance for Korea.

If so, as a Korean citizen, I cannot be harsh in judging his activities, and would like to ask our American friends to understand such Korean sentiment in viewing this case. This is my earnest request and appeal to the people of the United States, our best friends.

Even if such a request and appeal were rejected by the rigid law-abiding spirit and sense of justice on the part of the American people, I would not and should not resent or denounce the United States. However, I must strongly emphasize that such sense of justice and law-abiding spirit should never be practiced against only a specific person.

however, to oppose this particular military device on the grounds that it may be "inhuman." What do we presently have in our weapon arsenal, a few clubs and a spear or two? No use mimicking our words, let's call it what it really is: anti-human.

NELSON M. GRAVES 3d.

Tours, France.

Gallantry

Mrs. Gandhi's statement, reported in your issue of Oct. 12, that there is more repression in India today than in her time, does not deserve to be dismissed lightly, particularly as it implies that she has undergone a real change of heart. Amnesty International was one of the very few organizations that came out against abuse of power by her government and it is to be hoped that, if she is right, it will take a similar stand with respect to that of her successor. In the meanwhile, one would have liked to know what Mrs. Gandhi thinks of the award of the Nobel peace prize to Amnesty International, as this award may have helped to settle one of her doubts. In fact, asked to comment on its allegations of political repression, she always retorted by asking where it got its money. Considering that, today, it is precisely questions about money the Indian police would like Mrs. Gandhi herself to answer, one must conclude that it was surely an exquisite sense of gallantry toward a great lady that prevented your correspondent from putting a question that would have reminded her of this.

JASMER SINGH.

Paris.

The Questing Spirit Of Today's China

By David S. Broder

KWEILIN, China—China is a nation on the move. That statement is true at almost every level of meaning, but the sense in which it strikes the first-time visitor is the most literal. Almost everyone one sees is in motion.

There are, to be sure, landscapes of brush-painting serenity—misty hills, lovely trees, terraced fields and quiet figures. But after two weeks of travel by plane and train, by boat, by car and on foot, up and down this country, what is most vivid to the eye is not the serenity but the mobility of the Chinese people.

On your first morning in Peking, you awake to the sound of blaring horns. You soon discover why. Broad as the main streets are, they are not wide enough to allow the stream of cars, trucks and buses easy passage around the schools of bicycles on past the animals or people. The drivers of the bigger and faster vehicles use their horns to intimidate the bikers and cart-tuggers, producing a cacophony that is louder even than the martial music on the loudspeakers.

Jingling Bells

The number of private cars on the road drops sharply once you leave Peking or Canton, but the bicycles and their jingling bells and the carts are sufficient provocations for the buses and trucks to make a racket, even on a country road here.

Jay Mathews, the Washington Post correspondent in Hong Kong, reported recently that every vehicle of public conveyance in China these days is jammed to the capacity. He is right. From the buses in Changsha carrying their natural gas supply in canvas bags on the roof, to the viscous jets that fly between here and Shanghai, there is not a seat to be had.

All this coming and going is the most visible evidence of the questing spirit of advancement that characterizes the current rulers of China—a pragmatic, hardheaded group less interested in ideological purity than in pushing forward production and economic growth. Vice-Premier Teng Hsiao-ping is a man of such restless energy that even when he is seated in a quiet conversation he pulls deep on an ever-present cigarette and puffs the smoke as high in the air as the factory smokestacks in Chungking.

Most of the travelers are Chinese, but there is an increasing flow of tourists—overseas Chinese, Japanese, East and West

Europeans, and, not least, Americans. Kweilin, whose limestone caves and rivers give it a sense of unique beauty, is a center of growing importance even though its leaders, that industry, not tourism central to their overall plan new airport terminal, a new road station and a 12-story hotel have all opened within the year and other facilities being pushed to completion.

Tourism, of course, can be a valuable source of foreign revenue, which China needs to finance the purchase of technology from abroad. But if it is the wave of the future, one has to view it with a degree of regret. The Chinese have not resisted some of the worst aspects of commercial natural grandeur.

For centuries their artists poets have drawn inspiration from the landscape. The traveler through the Ya River gorges on a steam train, the LL-C River here past the limestone karsts enjoys the romantic tales inspired by strange rock formations, the reed pipe cave featured glossy brochure in your room and made all but mandatory for the Kweilin visitor, taste and restraint have, overwhelmed by some distant Disneyland touches.

Neon Lights

Neon lights—a garish orange and gold—act when the guide shines his light on an electric eye emb in the rock. Her recital anthropomorphism run Every piece of stalactite stalagmite is a hunter or a serpent or a spider, a lion. No rock is allowed just a rock.

A magnificent natural lighted and described "crystal" palace. Old enough on its 200-million-year-old walls some fool has been in iridescent paint. "Long the Friendship of the C and Laotian Peoples." A walk on the artificial co steps that cover the nature, you almost expect to see a bar wrapper at your feet.

Unless this Hollywood set trend is halted, the come when a monorail visitors along the Great and Nimbo the Whale pe every hour on the hour of the Forbidden. Please, Chairman Hua, do it happen here.

ting
y's Ch
S. Broder

MOVIES IN PARIS: 'The Crazy Horse' - It's Not 'Live' But Lively

By Thomas Quinn Curtiss
PARIS, Oct. 18 (UPI).—Alain Bernardin, founder and director of the Crazy Horse Saloon, written, directed and appears in "Crazy Horse, Paris-France" (in

an English-French version at the Balzac, the Monte Carlo and the Heider). In his cinematic debut he captured the Crazy Horse with slick camera work and neat timing. It is not a "live" show but is a very lively one.

The slight scenario involves the bumbling correspondent of the Dundee Chronicle who has been ordered by his editor to report on the cabaret. Bernardin takes the reporter on a tour of offices, dressing rooms (where the reporter finds out that the strippers' hobbies are reading, swimming, travel and hockey) and then out front to see the show.

Bernardin has glorified more girls than Florenz Ziegfeld's Follies but his showmanship pertains to all aspects of the strip tease. He uses subtle lighting, costumes, erotic tableaux and music to achieve sophistication with increased sex voltage.

Ian Fleming gave us the name: James Bond, which is now as familiar as Babbitt or Sherlock Holmes. "The Spy Who Loved Me" (at the Publicis Champs-Elysees, the Boul' Mich and the Publicis St. Germain in English) is the latest and the best of the Bond pictures. It has borrowed the Bond character but the script is an original by Christopher Wood and Richard Maibaum. It carries on a popular tradition



A scene from "Crazy Horse, Paris-France."

that appears destined to last a long time.

The situation is explosive. Several nuclear submarines have mysteriously disappeared. The

English suspect the Russians and the Russians suspect the Americans. Everywhere secret service agents are alerted, among them that old reliable servant of Her

Majesty, 007. When the call comes he is being chased by Soviet agents in the Tyrolean Alps. Sliding down a mountain he opens fire on his pursuers. He bags one who is the lover of a Muscovite Mata Hari and when she learns the news she vows vengeance.

As submarines continue to vanish the British, Russians and Americans decide to pool their resources against the common enemy. Bond is dispatched to Cairo where he encounters his sworn foe from Moscow, but their mutual danger unites them in a love affair. Joining forces, they elude a giant heavy with steel teeth amid the Egyptian ruins and find a clue to unravel the mystery.

The outcome must be seen and Louis Giffert, who engineered a previous Bond thriller, keeps the audience in a delightful state of nervous anticipation.

What we have is a melodrama in which the scheming villain (played by Curt Jurgens as though he meant it), resembles Conan Doyle's indefatigable trouble-maker, Prof. Moriarty. Bond (Roger Moore in his present rejuvenation) scores Holmes's hypodermic needle, being given to nonchalant philandering and booze in relaxed moments. Barbara Bach is the Russian siren with whom he dallies on his current mission, a far-flung expedition that should amuse.

Isabelle Huppert of "La Dentellière" is a heroine of strange yearnings in "Les Indes Sont Encore Loin," the Franco-Swiss film of Patricia Moras (at the Elysees, the Boul' Mich and the Publicis St. Germain in English). It is impossible to sympathize very much with a high school miss who has the daydreams of

an 8-year-old boy after reading James Fenimore Cooper. The young lady wants to run away and join the Indians. But this ambition is thwarted. The screenplay is in the form of an inquiry which reveals that she had a particularly drab existence and was forced to listen to some great boxes whose conversation was enough to make anyone reach for a tomahawk.

Chagall Exhibit Opens at Louvre

PARIS, Oct. 18 (AP).—The Louvre Museum and President Valéry Giscard d'Estaing paid tribute yesterday to Marc Chagall, as the President formally opened the Louvre's exhibition of some 60 recent paintings by the 90-year-old Russian-born artist.

Chagall looked somewhat overwhelmed at the pomp surrounding the formal opening of the exhibition, a rare honor for a living painter.

The exhibition includes several canvases from the painter's private collection, most in the deep blues, brilliant reds and luminous yellows and greens that distinguish a Chagall.

German Writer Honored

BERLIN, Oct. 18 (Reuters).—East Germany today began a week of special concerts, theater performances and exhibitions to mark the 200th anniversary of the birth of Heinrich von Kleist, one of the greatest figures in German literary history. Kleist, known for his poetry and his plays, was born Oct. 18, 1777, in Frankfurt-on-the-Oder, and committed suicide in 1811 in Berlin.



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DANCE: 'Sleeping Beauty' Reborn in London

By Oleg Kerensky

LONDON, Oct. 18 (UPI).—After one controversial and one disastrous production, "The Sleeping Beauty" has been triumphantly reborn at Covent Garden in its authentic original glory.

The Royal Ballet could not afford to get it wrong a third time and Dame Ninette de Valois has sensibly gone back to the original Petipa choreography, as staged here by Nikolai Sergeyev in 1939. There are additional dances by Frederick Ashton which have already proved themselves in other revivals.

Friday night also saw the debut of a new ballerina, Ashley Collier, and the return after a year's absence of the royal's favorite Prince, Anthony Dowell.

It was a memorable occasion. A Saturday the production's success and the present strength of the Royal Ballet were confirmed by two more performances with alternate casts and without one of the technical mishaps which had marred the first night.

One can quibble about some aspects of the new production, which is stronger on dance than on drama or logical narrative. Arabesque gives Aurora a naked stance which would surely have been matched away by the courtiers.

Aurora should have the chance

to greet her parents on awakening, and there should be some sort of scenic transformation before she and the Prince launch into Ashton's gloriously lyrical love duet.

It would also be better to have a proper transformation scene for the Prince's journey to the palace. At present his arrival is inordinately delayed by an orchestral interlude and by the Lilac Fairy doing a meaningless tour of the sleeping bodies.

David Walker's scenery is inoffensive and conventional rather than distinguished or memorable, but at least it is neither ugly nor distracting. A few of his costumes, notably for the Master of Ceremonies, are over-fussy. But these are minor blemishes, easily corrected. The essential point is that the Royal Ballet has once again got the proper framework to display its dancers in its most famous classic.

And what dancers they are! Collier combines technical strength with a charmingly robust youthful manner. She showed understandable nerves at first and she does not yet blossom into a grand princess at the end, but no doubt she soon will. Dowell, given a hero's welcome, looked happy and relaxed and achieved some stunning technical effects, especially in the flashy finale which provides Aurora and the Prince with their only new choreography. In

the main pas de deux, Dowell threw Collier into the air and caught her again in an exciting manner which nevertheless looked deceptively simple.

The other big success of the evening was Lynn Seymour's Carabosse.

In general, this role is better done by a man, but Seymour's good-looking yet vengeful and near-hysterical interpretation makes a tremendous impact. Later she will be dancing Aurora, with Nureyev as her Prince. The supporting roles were all more than adequately done, and will attain the highest standards when first-night nerves have worn off.

Already things went better on Saturday. At the matinee Ann Jenner was an assured and attractive if unemotional Aurora, with Stephen Jefferies as a very human and romantic Prince.

While Collier and Jenner both lacked something of the grand manner for the last act, Merle Park on Saturday evening provided it in plenty. Hers was the most confident and technically brilliant of the three Auroras, almost too confident to be credible as the naive teenager of the first act. David Wall, her Prince, combined fine committed acting with dancing which was almost as dazzling as Dowell's. It's a fine start to the new season.

Further performances of "The Sleeping Beauty": Oct. 19 (Park,

Eagling); 20 (Jenner, Jefferies); 29 (Matinee: Pannoy, Wall; Evening: Collier, Dowell); Nov. 1 (Park, Eagling), 2, 10 and 12 (all Seymour, Nureyev).

OPERA IN FRANCE

The Effort Shows in New 'Otello'

By David Stevens

STRASBOURG (UPI).—Whether it was premature ambition, under-rehearsal, a touch of the Peter Principle, or a bit of each, the new production of Verdi's "Otello" that has just opened the Opéra du Rhin's season had more to say about the company's limitations than its strengths.

Alain Lombard, who as the artistic director has put Alceste on the operatic map and who a few days ago declared himself out of the sweepstakes to replace Rolf Liebermann in Paris—competed with his customary fervor and conviction, but both in the orchestra and on-stage the results were approximate rather than precise.

Jean-Pierre Ponnelle, the brilliant, idea-rich stage director—in between beginning a Wagner Ring cycle in Stuttgart and completing a Monteverdi cycle in Zurich—put a lot of effort into this "Otello," but the effort showed. It seemed as if, having been up on the basic structure of the production, he finally concentrated on papering over the cracks.

Main Hope

Guy Chauvet, France's main hope in the dramatic tenor department, took on the title role for the first time in his career. Chauvet is a highly variable performer whose career has never been shown a steady upward trend. Here, however, he was variable from one minute to the next, fluctuating from dark-hued vibrant tone to colorless pianissimo moaning, and apparently so preoccupied with the daunting vocal problems that acting became an afterthought.

Madalena Cononovici, a Romanian soprano in the permanent troupe of the Opéra du Rhin, was a vocally tentative and dramatically pale Desdemona, while the experienced baritone Kostas Paschalis—whether guided by his own habits or Ponnelle's direction—was a resonant but heavy-headed Iago. The young Italian tenor, Alberto Cupido, was an impressive, lyrical Cassio, while members of the permanent company took the lesser roles competently.



Guy Chauvet as Otello.

malevolent creed. But it is almost perverse to have the Moor rush in to say "put down your sword" when Cassio and Mon-

confirmed atheist, but had a tendency to cross himself absentmindedly as he rolled on the floor with daggers, and to have the "Fucco di gola" chorus refer to a fire in which a Turkish captive is being barbecued (offstage) is against the sense of both words and music.

Useful Places

But Ponnelle, as always his own designer, created an atmospheric set of heavy stone walls with narrow claustrophobic spaces, with plenty of useful places for Otello to hide and watch, and the aptness of his costumes was tellingly underlined when Lodovico, the Venetian envoy, arrived in glorious raiment that contrasted dramatically with the roughness of the Cypriot outpost.

There was much that was promising in this "Otello," but Verdi's penultimate masterpiece is so tightly knit and specific that there is little room for reinterpretation, and it is mostly as unforgiving as the title character is of his utterly innocent wife.

ENTERTAINMENT IN N.Y.

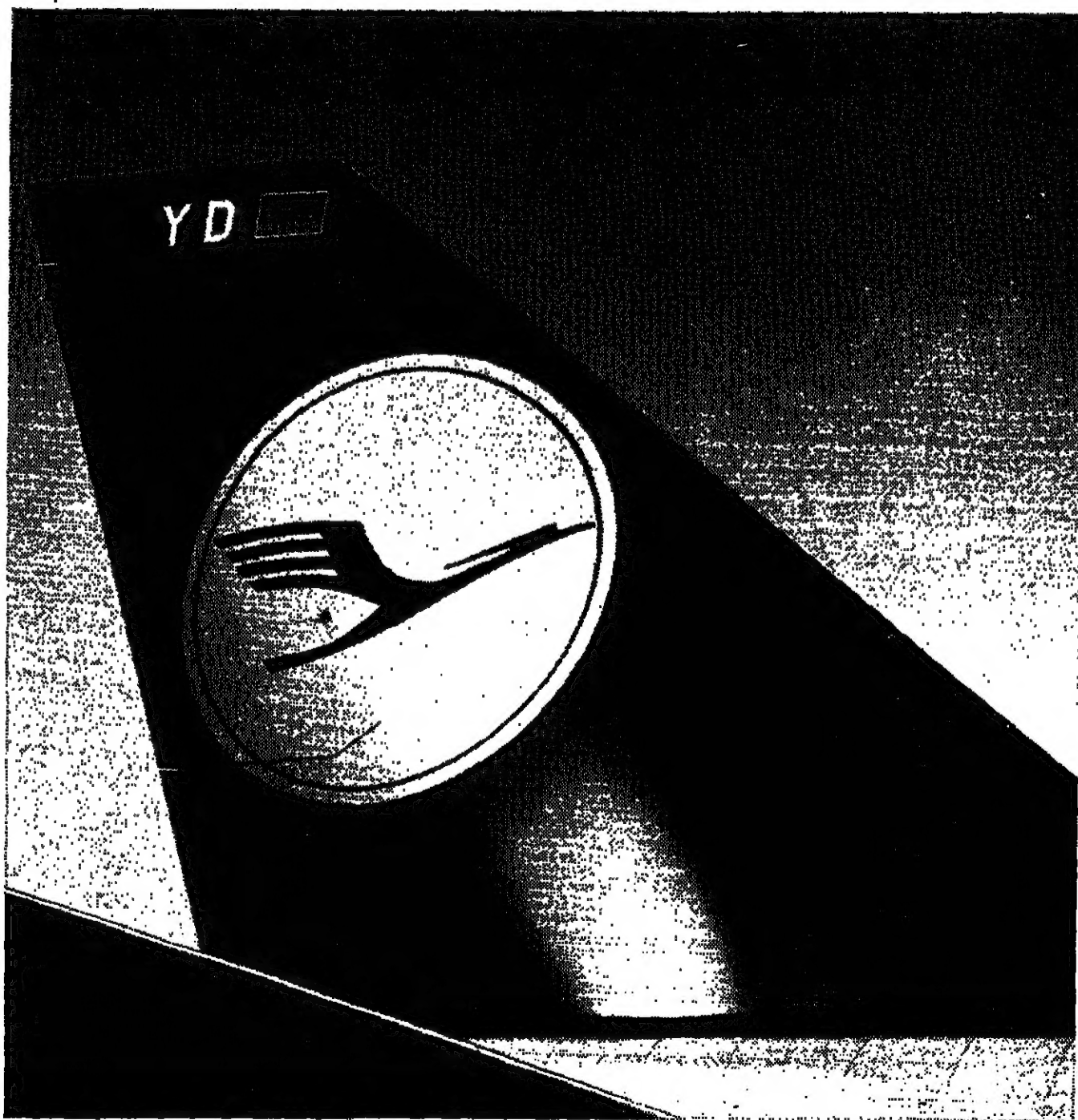
NEW YORK, Oct. 18 (UPI).—This is how New York Times critics rate new films and plays:

Films

"Equus." The movie version of Peter Shaffer's psychological mystery play, "is probably about as good as one can get on film," Vincent Canby says. "It represents intelligent decisions. It's beautifully, sometimes almost grandly acted by Richard Burton as the troubled psychiatrist attempting to bring back to sanity a young man who, in a fit of furious passion, has blinded six horses in a riding stable where he worked." But for Canby, "something is missing—specifically, our need to use our imaginations to fill in the visual and emotional gaps in the stories of Dr. Martin Dysart and Alan Strang, his patient." Compared to the play, "What was once poetic and mysterious becomes, when seen in this literal detail, banal, anticlimactic." But, he adds, "It's the most interesting, most serious appraisal of psychiatry that we've ever had in a commercial film." Peter Firth plays the boy, Joan Plowright his mother and Colin Blakely his father. "There's not a thoughtless or uninteresting performance in the film," Canby

Plays

"Hot Grog." Written by Jim Wann and Bland Simpson, "alternates between insipid and mildly refreshing," according to Richard Eder. It's a musical based on the pirate Blackbeard, in this case inept and surrounded by an accident-prone crew. He convives with the governor of North Carolina who finally decides to hang them all but finds himself at odds with his daughter who has fallen in love with one of the pirates. "The show rests on some fairly venerable incongruities and belabors them with great energy," Eder writes. Blackbeard is "played broadly but pleasantly enough by Brander Coffin." The rest of the performances "are mostly good." These include Mimi Kennedy as the daughter, Timothy Meyers and Homer Foll as pirates and Terry O'Quinn as Miss Kennedy's lover. "The music generally lacks much character or bite though some of the songs are fresh and affecting," Eder adds. "Ellary Rosenfield has patched some of the show's frailties with a set of agreeably foolish costumes."



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NYSE Nationwide Trading Closing Prices Oct. 18

[illegible]

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Emprunt
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157.876.500 francs

Prix d'émission: F. 500
Taux d'intérêt: 8%
Taux de rendement actuariel brut: 10,50%
 (en cas de non conversion)
Durée: jusqu'au 1^{er} janvier 1990

Souscription
Priorité des actionnaires
 ■ du 14 au 28 octobre 1977
 ■ souscription d'une obligation pour 10 actions possédées
 (ou moins de 10).
Souscription du public à partir du 29 octobre 1977.

Convertibilité en actions
au gré des porteurs
Délai de conversion
A tout moment à partir du 1^{er} avril 1978, et pour les titres
amortis, jusqu'à 3 mois après la mise en remboursement.

Rapport de conversion
Une action de F. 50 pour chaque obligation.
En cas d'opérations sur le capital, ce rapport sera ajusté
pour maintenir les droits des porteurs d'obligations.

Caractéristiques des obligations
Jouissance : 29 octobre 1977.
Intérêt : F. 40 par obligation payable le 1^{er} janvier de chaque année (F. 47 payables le 1^{er} janvier 1979).
Amortissement obligatoire :
 A partir du 1^{er} janvier 1981.
 En 9 tranches sensiblement égales :

- soit par rachat en bourse,
- soit par conversion en actions,
- soit par remboursement à des prix croissants de F. 562 à F. 784 par obligation.

Amortissement anticipé : possible

- par rachats en bourse à toute époque,
- par remboursement total à partir du 1^{er} janvier 1981, s'il restait à amortir moins de 10 % des obligations émises.

Noter au B A L O du 10 octobre 1977 : La note d'information diffusée à l'occasion de cette émission (via COB n° 77-118 du 27 septembre 1977) peut être obtenue, sans frais, au siège de la société, 20, avenue Daumesnil - 75008 PARIS, et aux guichets des Etablissements Charles de la souscription.

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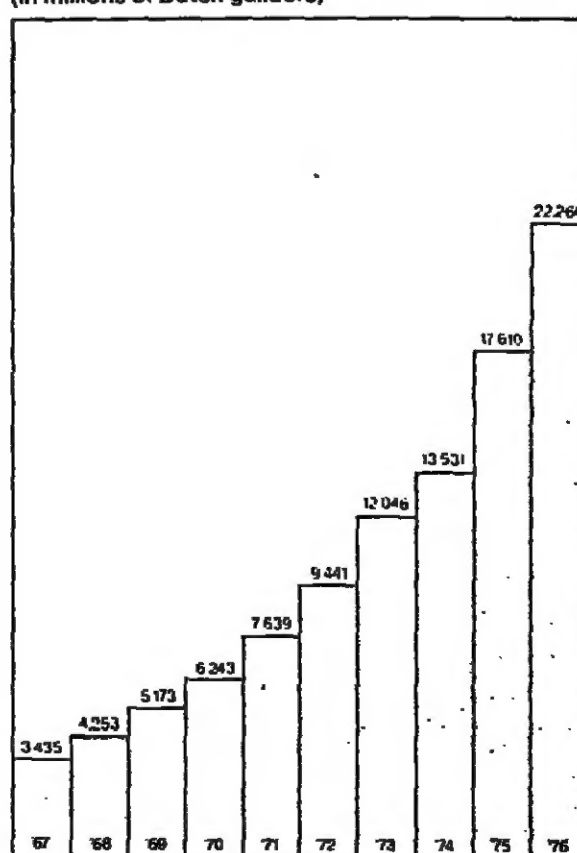
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(Continued on Page 10.)

BUSINESS

INTERNATIONAL
Herald Tribune

Published with The New York Times and The Washington Post

PARIS, WEDNESDAY, OCTOBER 19, 1977

FINANCE

Swiss Franc Tops DM Parity

LONDON, Oct. 18 (AP-DJ).—The Swiss franc rose above the deutsche mark today for the first time in over a year and set a new record high against the DM for the fourth consecutive day.

The Swiss currency climbed to 160 Swiss francs for 100 deutsche marks in London dealing, up from 158.50 francs late yesterday. The franc rose 1.50 points with the mark to 159.50.

The dollar fell to a new low of 1.58 Swiss francs, down from 1.5950 francs late the previous record.

Dollar at Low On Franc, Yen

Against the deutsche mark, the dollar eased marginally to 2.2635 marks compared with 2.2642 marks late yesterday.

Several dealers attributed the relative steadiness of the dollar against the mark to such factors as profit-taking, squaring of positions, and technical considerations, as opposed to any fundamental shift in sentiment towards the U.S. currency.

One top dealer in Frankfurt said that, while he believed the Swiss franc was overvalued in terms of Switzerland's economic performance, he expected it to remain at par with the mark over the short term. Demand on the capital market, he said, would continue to bolster the Swiss currency in the short term as would speculative sentiment on the foreign exchange market.

Europe Experts Say Dollar Will Continue Its Decline

FRANKFURT, Oct. 18 (AP-DJ).—A further decline of the dollar against major European currencies is seen possible and likely by European monetary officials.

There still appears to be a general consensus among European experts in Europe that the dollar's decline is the result of U.S. policy to counter growth pressure for protectionism.

One way of counteracting protectionism in U.S. policy would be to allow the dollar to depreciate and make it less competitive in the rest of the world, a high monetary official said.

He added, faced with the fact that protectionism and dollar depreciation, most European countries would be ready to accept an appreciation of their currencies against the dollar.

The current upsurge on foreign exchange markets was not only discussed when common first economic and finance ministers plus central bank governors discussed here yesterday and means to stimulate economies.

Asked for his opinion, British member of the European Council, Lord Healey, said that the United States behaved like a country which had a strong policy. The United States is to achieve its growth target by accepting a deterioration in current account of its balance of payments, he said.

Healey ascribed the current \$18-billion deficit on current

rent account in the United States to oil imports and rising imports of manufactured goods from the EEC and Japan.

In this connection, he termed a projected \$10-billion Japanese surplus "very, very dangerous," noting that at the economic summit in London last May the Japanese had spoken of a \$750-million deficit.

Although nothing was said officially on the renewed decline of the dollar on international markets, some monetary officials privately said their interpretation of the dollar's downward trend was that Washington is trying to counter a strong trend toward protectionism in the United States.

In general, these sources anticipate a further decline in the dollar value because current projections indicate a continued U.S. trade and current account deficit, not only into 1978 but probably into the early part of the 1980s.

Monetary officials privately conceded they were at loss as to what level the dollar would finally reach against such major currencies as the deutsche mark or Swiss franc.

"It's clearly up to the market now to find that level. All that central banks can do is smooth excessive movements" of exchange rates, one central bank source said.

One source said he would not rule out a rate of 2.20 marks to the dollar and a similar level for the Swiss franc to be reached before year-end.

The movement of funds into marks was evident today as the Frankfurt stock market rose to a new 1977 high in active trading, helped by foreign buyers.

Elsewhere, the dollar fell to a new postwar low against the yen despite dollar purchases by the Bank of Japan estimated at \$180 million to \$200 million. The dollar fell to as low as 251.50 yen before recovering to 252.10 yen—still below its previous low of 252.40 yen set yesterday.

The Canadian dollar also entered new low territory, slipping to 90.16 U.S. cents, down from 90.48 cents in London late yesterday.

Sterling rose to its best level in over a year, reaching \$1.742, compared with \$1.721 overnight.

Against most other currencies, the dollar was rather mixed. It edged up against the French franc to 4.8440 francs from 4.8400 francs and against the lira at 880.15 lire from 879.80 overnight.

Against the Swiss franc, the dollar was mixed. It edged up against the Swiss franc to 1.5850 francs from 1.5800 francs overnight.

Against the Japanese yen, the dollar was mixed. It edged up against the yen to 252.10 yen from 251.50 yen overnight.

West German Exports Of Machines Slump

FRANKFURT, Oct. 18 (AP-DJ).—West German machine exports rose only a real 1 per cent to \$3.1 billion marks in the first eight months of the year, an earlier period, falling below original expectations, Kurt Werner, president of the German Machine Manufacturers' Association, told a press conference here today.

Mr. Werner said that deliveries in the last few months have even fallen below previous-year levels, though the outlook varied from sector to sector.

Slowdown in Many Economies May Be Worse Than Thought

By Fowler W. Martin

LONDON, Oct. 18 (AP-DJ).—Statistics published by major nations in recent days indicate that the slowdown that hit the economies of many countries during the summer may have been worse than first feared. The statistics also helped to explain the recent sharp decline of the dollar.

While the U.S. economy has continued to show strength, in recent months, accelerating a high level of imports, business and consumer activity in other industrialized nations mostly weakened, cutting demand for foreign raw materials and finished goods. As a result, the United States pumped an increasing amount of dollars abroad to pay for foreign goods at a time when overseas demand for U.S. currency, used by other nations to pay for their imports as well, was slumping.

The resulting commercial oversupply of dollars on the world market has helped to send the price of the currency downward.

Perhaps the best readily available indicator of a nation's economic growth trend is its industrial production index. Provisional figures show U.S. factory output in September running a healthy 6.3 per cent above a year earlier, a better performance than at the beginning of the year, when U.S. production was up only about 4.6 per cent from January, 1976.

However, industrial production in the world's two other "locomotive" economies show an entirely different picture.

In Japan, which boasts the non-Communist world's second largest economy, factory output has slackened steadily this year. The country's industrial production index was up only 2.9 per cent from a year earlier in August against a gain of 11.1 per cent in January.

West Germany has not fared any better. There, output was running only 0.3 per cent above its year-earlier level in August against a 5.5-per-cent rate of gain last January.

Elsewhere, the outlook is generally gloomy. French July-August factory output was unchanged from a year earlier after having been up as much as 9.2 per cent at the beginning of the year. Italian industrial production was 0.8 per cent below its year-earlier level in August after being up 11.7 per cent in January.

British August production ran 1.5 per cent above the pace of August 1976, down from a 2.8-per-cent rate of growth at the beginning of the year.

Another bellwether of business activity is the trend of wholesale prices.

Suppliers tend to boost their quotes for raw materials, industrial intermediates and finished goods when the economy is humming and demand is strong. Likewise, prices on this level of the distribution chain tend to be weak when final consumption growth proves to be more

On Analysis, There Was No Majority Report Gave Burns a Bum Rap

NEW YORK, Oct. 18 (AP-DJ).—Arthur Burns has been around Washington long enough that he probably no longer takes the congressional Joint Economic Committee very seriously, but it should be said that the committee recently gave Mr. Burns and the Federal Reserve system a very bum rap.

Every year about this time the committee takes a look at the economy and its problems and suggests what it thinks should be done about them. This year's review hit a new low, both for content and for the way the review was assembled and released.

Anyone who saw the news stories last month assumed that the committee, or at least a working majority of that group, was charging the Federal Reserve with having an "obsession with inflation." The stories said the committee was worried about the "real" money supply—money after adjustment for inflation.

According to the committee report, the Fed had allowed real money to decrease by 9 per cent since the end of 1972. This "disastrous" policy was a main cause of the 1973-75 recession and a persistent obstacle to economic recovery, the report said.

Before taking up the merits, or nonmerits, of such charges, we should see who was really making them. The full text of the committee's report makes interesting reading. The Joint Committee is composed of 10 Representatives and 10 Senators; at present, it has 12 Democrats and eight Republicans. So who was charging what?

The first thing we discover is that the eight Republicans filed a minority report which disagreed totally with the majority on its monetary analysis. So the vote to condemn Mr. Burns and the Fed obviously was no better than 12 to 8.

But in addition a senior member of the group, Sen. John Sparkman, D. Ala., more or less disassociated himself from the whole project. Because of the press of other duties he did not participate in the discussion, so "I do not consider it appropriate for me to identify myself with all of its conclusions and recommendations."

Later in the report, in "additional views," we find Rep. Henry Reuss, D-Wis., the chairman of the House Banking Committee, offers some thoughtful criticism of the Fed but disagrees completely with the report's "real money" approach.

In succeeding pages, Rep. William Moorehead, D. Penn., finds it "far from clear" that the Fed has been too restrictive, as the report charges. Sen. William Brock, D-Wis., says the report may give monetary officials "somewhat more blame" than they deserve. He doubts that monetary policies would have been much different in recent years no matter who was in charge.

So, even if you count the otherwise-occupied Sen. Sparkman, the committee "majority" has dwindled to nine—even in liberal arithmetic, nine is not a majority of 20.

The report touches on matters other than monetary policy, but its core is its blast at monetary policy, past and present. Since the committee could not muster a majority to support its monetary charges, it is fundamentally dishonest.

Rep. Reuss, in his additional views, does an effective job of ripping up the report's contention that real money is what really matters for economic growth. While real money and real money growth both fell in 1974 and 1975, real money again fell in 1976—when the economy racked up its strongest growth rate in more than 20 years.

But Early Increase Cut

Small Gain Is Registered on Big Board

NEW YORK, Oct. 18 (AP-DJ).—Bargain-hunting helped tone up stock prices today but the rally lost most of its momentum in the final hour. Trading was moderate.

The Dow Jones industrial average was up 0.17 point at 820.51.

It was ahead more than 3 points in early trading. Some 885 issues showed gains with 630 lower.

Volume totaled 20.13 million shares, up from 17.34 million yesterday.

Analysts said the buying resulted largely from the market's recent losses, but concern over a possible further rise in short-term interest rates held back the advance.

Another factor which has been inhibiting traders, according to analysts, is uncertainty whether the market has reached a selling floor and a buying rally is just around the corner.

"There won't be a real rally until traders sense some stabilizing in short-term interest rates," one analyst said.

Among the Big Board's top 30 active, Dr. Pepper rose 1/2 to 16 3/8 and Alcon Laboratories, a takeover candidate, finished unchanged at 38 7/8. Heavily traded Citicorp eased 1/8 to 23 1/4 after posting lower third-quarter earnings.

Prices were lower on the American Stock Exchange in moderate trading.

Italian Vehicle Sales Up
ROME, Oct. 18 (AP-DJ).—Italian motor-vehicle registrations scored a sharp turnaround in September, rising 39 per cent from a year earlier, after months of stagnation, the Italian Automobile Club reported today. Registrations in September totaled 136,500 units.

Report from Number One Wall Street

Practical economics.

George McKinney, head of the Irving's Economic Research & Planning Division, is one of the most highly regarded economists in the banking industry. His candid and

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George W. McKinney, Jr., Senior Vice President, and Glenn C. Picou, Vice President, Economic Research and Planning Division.

thought-provoking insights are often quoted in the nation's business press. Yet, ask McKinney what school of economic thought he uses to interpret trends or forecast changes and he'll tell you, "All of them."

A true eclectic, McKinney sets the tenor for the 30 staff members—professional economists, statisticians, charists, librarians—who make up the Irving's economics division.

"Our main task," says McKinney, "is to provide the economic input that's vital to the decision making process. So we look at the relevant data from many different viewpoints. Then, we form our own opinions about the forces that affect the Irving and our clients. And when we see things differently than the majority, we don't hesitate to make our views known."

such as Foreign Exchange Market Trends, Business Conditions USA and The Economic View From One Wall Street.

The weekly Financial Markets letter is in Glenn Picou's area of specialization. One of the Irving's eight economists, Picou watches the capital and money markets and analyzes the forces that make them move.

"When we give opinions on the outlook for interest rates, we review all the factors," he says. "We watch the Fed, but we also look at commercial banks, the government, consumers, and business. And we stay in touch with our bond and money market specialists to compare views on the current tone of the markets."

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Bryan J. Walsh, Vice President, Operational Services Division.

and debiting. In addition, the Irving electronically effects and settles customers' U.S. Government and Agency securities transactions.

The Irving has long been among the leaders in funds movement technology. For example, the Irving helped establish a new system for transferring funds worldwide. This system, known as SWIFT (Society for Worldwide Interbank Financial Telecommunications), is functioning in Europe and will become operational in the U.S. this year.

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NEW YORK (API)		Closing Prices, Oct. 18, 1977		Picks	
Selected Securities	610 45K	CarlFed	114 13K	Kalshel P	2010 21K
Woolers A&S	1230 14K	CarlFed	114 13K	Kalshel P	2010 21K
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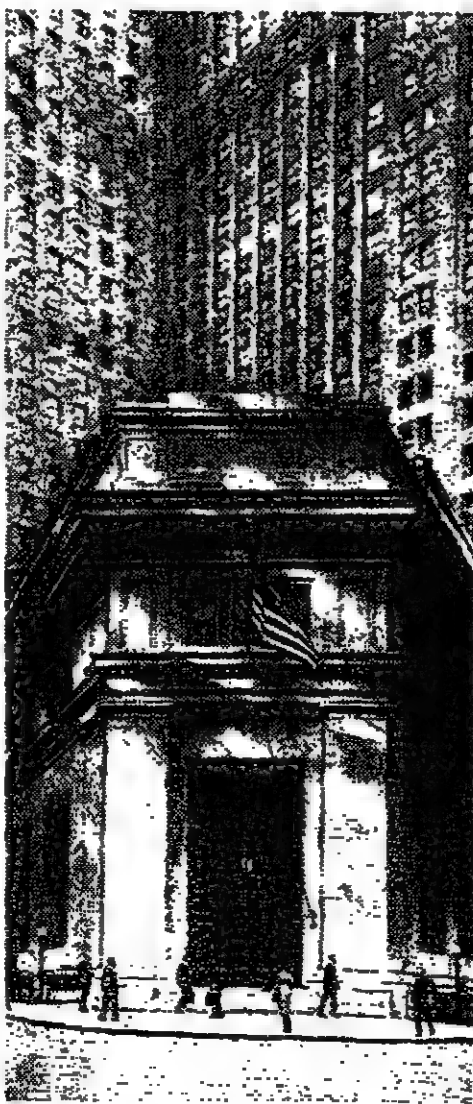
A group of Morgan's internationally based Financial Services specialists at a meeting in New York. Clockwise from left, John Sands, New York, head of the department; Lucile de Baudry d'Asson and Guido Cefalu, Paris; Frank Beelitz and Gianni Ragazzi, Frankfurt; Marc Varangot, São Paulo; Michael Allen, London; Keith McDermott, London and the Middle East.

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Amex Nationwide Trading Closing Prices Oct. 18[illegible]

Toronto Stocks

Closing Prices Oct. 17, 1977

[illegible]

Montreal Stocks

Quotations in Canadian funds.
Quotations in cents unless marked

200 Asbestos	\$254	254	16
2787 Brk Mnt	\$1616	1616	16
100 Basic Res	\$594	594	594
799 Cn Cnm	\$934	934	934
925 Conhnt Pw	\$2234	2234	2234
233 Cntrnt	\$2274	2274	2274
900 Cn Bth	\$21	21	21
300 Dcm Brdg	\$21	2054	21
100 Fncr Col	180	180	180
100 Indus	2814	2814	2814
180 Lnd Flr	\$74	74	74
300 Mclcon	\$1394	1394	1394
1206 Power C	\$94	94	94
1648 Royl B	\$2514	2514	2514
450 Royl Trst	\$1694	1694	1694
3600 Zellers	\$54	54	54

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WEATHER

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Answer: What happened when inflation hit the price of feathers?—DOWN WAS UP

"Registered as a newspaper at the Post Office"

Reviewed by Christopher Lehmann-Haupt

HERE is John Hersey's 19th novel and 14th novel. "The Walnut Door," and though it is not so didactic a book as we have come to expect from his fiction, its message speaks loudly and clearly enough. It is about two attractive young survivors of the 1960s who meet in the mid '70s and, in the process of working out certain problems that are typical in various ways of their generation, succeed to fall in love. What it seems to prove is that their reactions to the pressures of the '60s were simply functions of their being adolescents—that by falling in love they have awoken from a sleep that needed only a kiss to dispel it, and that they are far more deep and complex as human beings than they are as revolutionaries. All of which is fine with me. I like Hersey's message. I, too, find people a lot more interesting than their politics.

But what one wants from fiction is imagined hypotheses, not reasoned proofs. And though the foregoing description of "The Walnut Door" is somewhat exaggerated, its didacticism—actually Elaine Quinlan and Ed Macaboy are granted considerable specificity as characters, and actually their romance has a mythic dimension as well as a psychological one—the fact remains that not for a moment did I believe that Hersey had sat down to write with the story of two particular people in mind. At best, I had the sense that he was merely illustrating a thesis.

What gave me this sense? I could cite any number of bothersome things, including an over-particularization of details and an overzealousness on the part of the narrator to get inside the minds, so determined to show us how well he understands what young people do and how they think that he overstates the case and thus plants the suspicion that he doesn't really understand it. But what bothered me most had to do with Hersey's Ed Macaboy, a Rocky College dropout and veteran of the Weathermen's Chicago Days of Rage. He has now, at the time of the story, decided to withdraw and devote himself to the craft of locksmithing in the city of New Conn. His technique of using his one-man business plan gently, and when necessary, so gently, on the fearsome women who are his clients, is what Elaine Quinlan, her marriage and her parents' town and rents an apartment Macaboy gets her managerial agency and began the sales pressure. He does he hear her telephone than he begins her. Despite, or perhaps because of her determined refusal to take any more serious than a breathery trace this call. "I further steps to agitation. What he does, it was sporting of me to reveal on its most elementary Walnut Door" is a fiction.

Now I can understand Hersey felt it necessary his novel (thriller) a fiction is to say must first be entertaining. I can understand Macaboy does has dimension as well as logical one. It won't too much away to a figurative sense Mac Elaine's past and look the present, and the view of the future, feelings that he be underp. All well a far, and also comes Hersey's thesis that problems, young people '60s were simply out with their feelings.

But what I cannot and why "The Walnut refused to come alive why on the most Elaine reacts to the way that she does. I would have had to do with him. On a machine. In was cease to find her individual, and ing in her as a representative her generation.

Whatever the reaction seems a man part of the author's was made because distracted by his to of symbols, and the his story a thriller.

-Rv Alan

Those who favor "sound" opening bids can adduce endless arguments in favor of their position, and so can the advocates of "light" openings. The debate is interminable because neither side can prove its case.

One of the arguments for sound openings is that the light opener will sometimes give valuable clues to an opposing declarer. An example of this is provided by the diagramed deal. South landed in three no-trump after East had opened one heart on a balanced hand containing 11 high-card points.

North's take-out double followed by two diamonds showed a strong hand, and South was well able to bid two no-trump with the hearts stacked. An aggressive player might even jump to three no-trump on the third round.

The opening heart lead won the trick, and South had

West was inclined to pack out one heart, but the result, but East's responsibility by passing a clearer a compliment.

"It was not my announced, " it was play."

the spade ten. He played his last spade to dummy's queen, and South thought matters over.

Because of the opening bid, it was certain that East held all the remaining high-cards in hearts, diamonds and clubs with the possible exception of the diamond jack. So the declarer continued, by taking a backcourt

NORTH
 ♠ KQ
 ♥ K
 ♦ AQ
 ♣ AJ5

WEST
 ♠ 732
 ♥ 872
 ♦ J82
 ♣ 1054

Chinese in clubs. The Jack was led from dumpy, forcing East to cover with the queen. The king won and, after cashing the heart ace, a club to the nine succeeded as planned. As it happens South could have done equally well by playing the top clubs and dropping the queen doubleton, but that would have been inferior play.

Neither side was kul ding.

East	South	West
1 ♠	Pass	♠
Pass	♠	♠
Pass	♠	♠
Pass	♠	♠
Pass	♠	♠

West led the heart 7.

DENNIS THE MENACE

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